Reciprocity To Come This Year

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

# THE FINANCIAL POST

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## The Nation's Business

**Federal Deficits Result of Keeping Election Promises**

**Excess Spending Bars Recovery**

**Reciprocity Treaty Due in 1933**

**Bennett Will Hasten U. S. Trade Pact**

### Election Promises Kept Too Well

PRICES have dropped. Incomes have fallen sharply. Profits have been turned into deficits. But governmental expenditures and taxes have continued to rise. Everyone has turned to governments to restore prosperity. Generous with other people's money, politicians seeking office have promised to end unemployment. The people and the politicians have joined in a conspiracy to fool each other.

Public spending has been regarded as the magic cure-all of the depression. As a matter of fact the present government in Ottawa came into power pledged to two chief things among many others:

1. To spend $400,000,000 on new developments and schemes of one kind and another.
2. To end unemployment — in other words to end the depression in Canada.

* * *

THEY were foolish promises but wherever and whenever did a party seeking office refrain from making unwise promises? It cannot be said that the government has not striven valiantly, if foolishly, to implement both of these promises. They have succeeded in increasing national expenditures but they have lamentably failed to end unemployment, which was inevitable. By carrying out most of the spending policies advocated by them during the election campaign of 1930 they have effectively barred any measure of early success in solving the unemployment problem. One of the key factors in lessened industrial activities in Canada is the lack of confidence engendered by unbalanced budgets.

The "ins" then have been unwise in their spending. Yet it may be said of the "outs" that the pledges they made in the election were little different from those of Mr. Bennett and his followers and had they been selected to run the country's affairs and had they too attempted to spend all the money they promised to spend the country's finances would have got into an equally deplorable condition under their leadership.

* * *

WHAT are the facts regarding the rise in Federal Government spending? The Citizens Research Institute of Canada, independent of political influence, gives these figures as the annual current expenditures of the Dominion Government in recent years.

**Federal Expenditure**

Exclusive of capital expenditures on public works and Canadian National Railways

| Year to Mar. 31 | |
|---|---|
| 1927 | $329,800,000 |
| 1928 | 346,900,000 |
| 1929 | 355,200,000 |
| 1930 | 385,700,000 |
| 1931 | 442,200,000 |
| 1932 | 488,800,000 |

It will be noted that 1927-28 increased $17,000,000 over the previous year. Successive annual increases have since then been $9,000,000; $30,000,000; $57,000,000; and $46,000,000. What the year to March 31, 1933, will show is yet to be indicated but the budget speech giving the figures will soon be down. There is hope of some decrease if book losses under wheat guarantees are left out.

* * *

NEW taxes have been piled on in an attempt to keep up with the steady increase in governmental extravagance. Yet the taxable assets and income of the country have not kept pace and a succession of steadily increasing deficits has been piled up. One need not look in the budget speeches for a record of these deficits. Finance ministers do not show the country's real deficits in their annual addresses. They juggle with their figures in accordance with the best traditions of their office, not with intent to deceive, but because the antiquated bookkeeping methods are traditional to the office and are the simplest to accept.

Here is the record of surpluses and deficits as compiled by the Institute:

**Federal Surpluses and Deficits**

Including C. N. R. deficits

| Year to Mar. 31 | |
|---|---|
| 1928 | $81,300,000 surplus |
| 1929 | 104,000,000 surplus |
| 1930 | 58,800,000 surplus |
| 1931 | 88,000,000 deficit |
| 1932 | 154,100,000 deficit |

These deficits are larger than the ones shown in the budget speeches because they include such items as Canadian National Railway losses, wheat bonus, unemploy-

(Continued on page 2, col. 3)

# GOVERNMENT WILL BUDGET FOR DEFICIT

### New Taxation Largely Confined to Eliminating Exemptions

### TAX BEARER BONDS

### Everyone Cashing Bearer Bond Coupon Will be Required to File Certificate of Amount Received

From Our Own Correspondent

OTTAWA.—While Hon. E. N. Rhodes, minister of finance, is not expected to attempt the balancing of the Federal budget, the financial programme which he will announce, probably in the second week of March, will contain taxation changes of prime importance.

Including the loss on the National Railways, the deficit this year will run to about $150,000,000 and it is not practicable to increase the tax revenues of the country by this amount. The only way the budget could be balanced is by cutting down expenditures, notably the $70,000,000 loss on railway account. And for the reason that the government's railway policy and the governmental estimates for the coming year are now disclosed, it is abundantly apparent that there is no intention of attempting, this year, to put an end to the successive deficits which have been a feature of budget statements in the past three years.

**Many Tax Changes**

Nevertheless the budget, according to reliable sources of information, will make fundamental changes in the tax structure. Mr. Rhodes is believed to be determined to add considerably to the tax burden, despite the recent statement of Premier R. B. Bennett that the limit of the taxpayers' capacity had practically been reached.

It is expected there will be some 40 or 50 tariff changes. Most of these changes will be in the nature of administrative adjustments, without special significance to industry. There will be a few increases, but these will be restricted to industries which have received promises from the administration of tariff assistance. There will, of course, be no increases in the British preference.

The tariff, it is learned, will not be a major feature of the forthcoming budget. After playing the leading rôle in the budgets of 1931 and 1932, the tariff appears to have entered upon a period of stability which should continue until either a trade treaty is negotiated with the United States or until the Bennett government is defeated. The impending treaty with France will consist, largely, of an extension to that country of the intermediate tariff, and will not involve many special tariff concessions.

**Explore Loop-Holes**

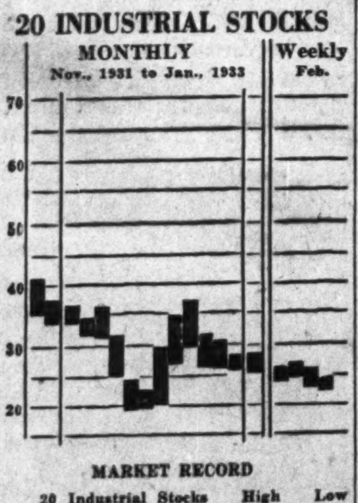
In regard to taxation, it is believed, there is presently proceeding an expert examination of all existing taxation statutes. This examination is being carried out with the object of discovering how revenues may be increased. And far from indicating that the limit has been reached, these enquires tend to show that large additional sums may be collected by the state without resorting to new instruments of taxation.

In the case of the sales tax it may be stated, authoritatively, that every exemption under the present act is in peril. The budget will reveal a drastic curtailment of exemptions and many articles presently bearing no sales tax at all, or only a percentage of it, will be taxed at the full 6 per cent hereafter. The exemption list covers a wide range of articles of great importance to manufacturers and retailers. One of the chief items, for example, is sugar. The present intention is to tax sugar. Another item is manufacturers' raw materials. Here the policy is, as yet, indefinite, with the probability that the tax will be applied to a greater extent than is the case today. The treasury will

(Continued on page 5)

## Stock Market

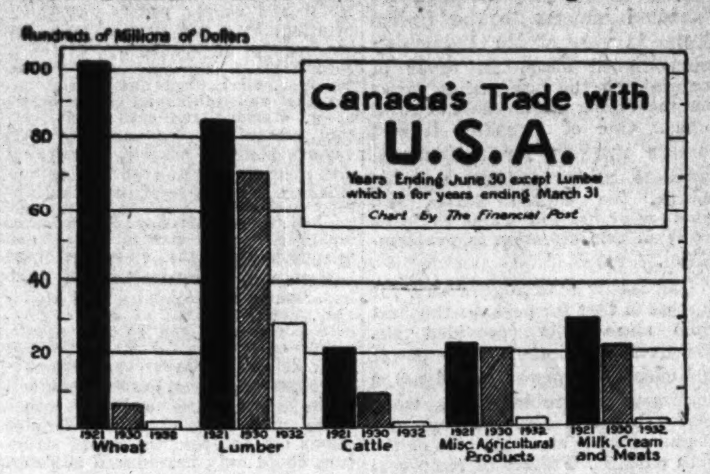
20 INDUSTRIAL STOCKS



**MARKET RECORD**

| 20 Industrial Stocks | High | Low |
|---|---|---|
| Week of Feb. 28 | 24.7 | 23.3 |
| Week of Feb. 21 | 25.4 | 23.8 |
| Month of Feb., 1932 | 34.4 | 31.4 |
| **8 Bank Stocks** | | |
| Week of Feb. 28 | 160 | 156 |
| Week of Feb. 21 | 161 | 160 |
| Month of Feb., 1932 | 205 | 203 |
| **10 Public Utilities** | | |
| Week of Feb. 28 | 42 | 40 |
| Week of Feb. 21 | 43 | 40 |
| Month of Feb., 1932 | 56 | 51 |

### Will Canada - U. S. A. Trade Pact Change This?



Canada's export of farm products and lumber to the United States in 1921, 1930 and 1932 are graphically shown above. Gradual increase in tariff barriers in these years is largely responsible for the decline in each of the major groups shown. The group "miscellaneous agricultural products" includes fruits and vegetables, grains other than wheat, eggs, maple sugar, wool, etc.

A major consideration of present Canada-U. S. A. trade treaty discussions will be whether or not Canadian exporters of these commodities will be given aid in return for reciprocal favors in the Canadian market.

# Government Serious As to Possibilities Canada-U.S.A. Pact

### Bennett Speech Thought Vital Declaration of Policy

### MAY COME SOON

### Treaty Would Be Definite Pact Outside Scope of Imperial Agreements

From Our Own Correspondent

OTTAWA. — Informal communications already have passed between the Bennett Government and president-elect Franklin Roosevelt with regard to a trade treaty between the two countries. More direct negotiations will begin immediately after the Democratic administration is inaugurated on March 4.

Behind the scenes at Ottawa it is known that both parties mean business and it is regarded as extremely probable that a trade treaty will be concluded and signed before the close of the year.

**Most Important Declaration**

It was recognized last week when the debate on the Duff Reciprocity resolution took place, that Prime Minister R. B. Bennett's speech, guarded and reticent though it was, constituted the most important declaration of government policy of the session. Mr. Bennett said:

"No member who has had cause to think upon the problems of trade, fails to realize the truth of the statement as to our natural market, if you can use that term when dealing with a foreign country, being the United States of America."

And again:

"In my judgment all we can do is follow the course that has been followed by successive governments and indicate our willingness to negotiate on terms that are fair and reasonable . . . . We can only be ready and willing to avail ourselves of any proposals that are fair and reasonable and are not of such a character as will involve injury to this country if they are speedily terminated."

In a word, Mr. Bennett welcomes the prospect of a trade treaty with the United States but stipulates that it must differ radically from the reciprocity agreement of 1911. It must be a treaty, not an agreement. It must extend over a comparatively long period of time and

(Continued on page 2, col. 5)

## Tariff Board Will Consider British Pleas

From Our Own Correspondent

OTTAWA.—The first list of applications from British manufacturers for reductions in the Canadian tariff, have been received at Ottawa and will be submitted to the Tariff Commission as soon as it has been organized.

The list was forwarded to Ottawa by the British Government, and it is understood it is not as far reaching in its scope as was expected. The applications come chiefly from British woollen and knit goods manufacturers. The cotton manufacturers are not represented on the list to any important extent.

While the Tariff Commission has been appointed, no steps have yet been taken to gather together a staff or to obtain suitable office accommodation. It is thought that the commission can scarcely begin to function before the close of March.

# NATION SPENDS $293,000,000 ON JOBLESS

### Savings Forecast For Coming Year as Experience Gained

From Our Own Correspondent

OTTAWA.—A total of $293,000,000 for relief of unemployment in thirty months.

This is what has been spent, or will be spent by the end of the present month, by the federal, provincial and municipal governments and by various industries in cooperation with our governments.

The figure is approximate. Not even the federal government is yet aware of the ultimate cost of the commitments entered into. But the final and authentic total for the period September, 1930, to March, 1933, whenever it may be struck, will be little less than the staggering figure quoted; may even creep up to $300,000,000.

Take the figures by years:

**Total Expenditures**

| To March 31 | $ |
|---|---|
| 1930-31 | 107,000,000 |
| 1931-32 | 121,655,403 |
| 1932-33 (estimate) | 65,000,000 |
| Grand total | 293,655,403 |
| **Federal Government's Share** | |
| 1930-31 | 17,987,174 |
| 1931-32 (it may run higher) | 45,000,000 |
| 1932-33 (estimate) | 25,000,000 |
| Grand total | 87,987,174 |

**How Money Was Spent**

These figures are arrived at partly from information contained in the annual unemployment relief statement given to parliament last week by Hon. W. A. Gordon, minister of labor, and partly from other government sources.

The annual totals are made up in this way:

**1930-1931**

In 1930-31, there was spent $69,000,000 on relief works, with the Dominion putting up $14,396,977 and the provinces and the municipalities the balance. The Dominion spent $3,547,135 on direct relief, and the total expenditure by all governments on this item was $11,000,000. In addition, the railways spent $25,000,000 on capital betterments in advance of necessity, the federal government agreeing to pay interest charges for a short period of time. And, $2,000,000 was spent under the grade crossing fund, to which the Dominion made a substantial contribution.

**1931-1932**

In 1931-1962 there was spent $81,000,000 on relief works, with the likelihood that an additional $14,778,000 will have to be spent before existing commitments are completed. The Dominion has put up $34,008,878. Direct relief ran to approximately $19,142,096, with the Dominion's share being roughly one third. Cost of relief to the drouth area of Saskatchewan was $5,288,085. Then there was a government loan to the Canadian Pacific to keep railway shops open—$1,447,222. Similar steps were taken to keep the national shops open, but whether the government advanced the money or told the railway to include it in the annual deficit is not clear.

**1932-1933**

In 1932-1933 relief works were definitely abandoned and a policy of direct relief only adopted. The Dominion pays one third of the cost, with certain exceptions, and the Dominion ex-

(Continued on page 2, col. 3)

## New President Dominion Stores Yet to be Chosen

Successor to the late W. J. Pentland as president of Dominion Stores Ltd. will be elected at the meeting of directors following the annual meeting of shareholders to be held March 13, it is expected. While there is no official indication as to who will head Canada's largest food store chain, rumors in the grocery trade suggest that Mr. Pentland's successor will be a director or former official of the company. Morley Smith, vice-president and treasurer of the company, is in charge at the present time.

While Mr. Pentland, as president, exercised general supervision of all of Dominion Stores' operations, he was in particularly close contact with the management of the 534 stores operated in Ontario, Quebec and the Maritimes.

While no official statement is forthcoming as to the amount of insurance carried by the company on Mr. Pentland's life, the balance sheet as at December 31, 1932, shows cash surrender value of life insurance of $8,325. This presumably represents insurance on officers of the company, of which Mr. Pentland was chief executive.

# MONTREAL'S TAX PROPOSAL HITS CHAINS

### City Seeks Authority for Heavy Impost on Groceries

### WILL LIMIT UNITS

### Stockbrokers, Dairy Concerns, Theatres and Others Subject to Special Tax Plan

From Our Own Correspondent

MONTREAL.—Proposed amendments to the City of Montreal's charter, if approved by the Provincial Legislature, will deal a heavy blow to the operators of chain stores, as well as to numerous other organizations doing business within the city limits.

Ordinary means of taxation will not cover the unusually heavy expenditures proposed this year. The aldermanic executive council have delved into the matter and the proposed amendments cover a variety of taxes that will be bitterly opposed by business interests before the private bills committee of the legislature.

**Tax Food Distributors**

Striking feature of the amendments sought is the authority to tax merchandisers of food products, more especially chain store organizations. Briefly the city wants authority to place a special tax of $100 on each milk pasteurization plant within the city; $200 on plants located outside the city and doing business in Montreal; $50 tax on distributors of milk and cream when in the limits of the city and $100 when outside of the city.

**Hits Dairy Concerns**

This tax would affect such companies as Bordens, Elmhurst Dairy (subsidiary of Eastern Dairy), J. J. Joubert (subsidiary of Bordens), Montreal Dairy (a subsidiary of Dairy Corp.) and a large number of other dairy companies.

This tax, which is over and above the regular forms of taxation, is regarded as onerous, but cannot be placed in the same category with the proposed tax on chain stores.

**Brunt on Chain Stores**

The city is asking the provincial legislature for authority to tax grocery chain stores on the following basis:

| | Each |
|---|---|
| First unit | $ 2 |
| Next four units | 10 |
| Next five units | 50 |
| Next ten units | 100 |
| Over 20 units | 200 |

There are half a dozen large grocery chains operating in Montreal. They are under control of companies with interests in Ontario and the Maritimes and in which the public has a large investment interest.

**Means Price Increase**

On the basis of recent returns this proposed tax, if approved by the legislature, would have a serious effect on chain store operations in Montreal. These companies already are paying the usual taxes assessed against their particular type of business. The additional tax proposed by Montreal would undoubtedly necessitate an increase in the price of the products they sell to the public.

**Tax Payment Soars**

The extent of this taxation is better appreciated by an examination of what it means to some of the individual operators. Dominion Stores Ltd. operates 187 stores in Quebec, of which it is estimated that about 150 are in Montreal. On the above basis of taxes, Dominion Stores would be called upon to contribute $27,292 to the city treasury. Nor is that all, for Dominion Stores being an "outside" organization, will have to pay a special tax of $200 in order to do a retail business in Montreal.

Thrift Stores, a Montreal organization, operates a chain of 71 grocery stores within the city limits. It will be called upon to pay the city in extra taxes $11,492.

The Great Atlantic and Pacific Tea Co., better known as A. and P., have numerous stores in the Montreal area. No details as to the number are available, but it has more stores in Montreal than Dominion Stores.

The city does not end its tax proposals at assessing the individual chains, it also wants authority to place a tax of $15 on each motor vehicle used in the transportation of goods.

**Tax Exceeds Profits**

There are few grocery chain store units making a profit of more than $1,000 a year. If the City of Montreal is successful in getting authority to tax the chains, it is more than likely the chain store managements will take steps to limit the number of their units to those which can profitably bear the added tax burden.

Not content with its proposal of placing what is regarded as an especially burdensome form of taxation on the chain stores, the city council has looked around for other unexploited fields of taxation and has picked on motion picture and theatrical houses. The city is asking the government for authority to tax motion picture houses $500 each and 85 cents a seat on seating capacity.

**United Amusement Affected**

The company mostly concerned with this proposal is United Amusement Corp., which owns, controls or leases 16 theatres in the Montreal area, with an aggregate seating capacity of 17,651. If this special

(Continued on page 2, col. 6)

## Highlights of the Week

Events and Topics That Make Articles for The Financial Post This Week

***The Key to Recovery***

Canada must balance its budget as the first step in business recovery. We have added $500,000,000 to our national debt in three years. How long can we keep it up? A frank discussion of a pressing problem. Page 1.

***Wheat Outlook***

Underlying improvement sensed by authorities in world wheat markets even though prices have yet failed to respond. Page 13.

***Goodyear's Men***

Personnel is big factor in success of Goodyear Tire & Rubber Company. C. H. Carlisle, president, tells of policies that made success for company. Page 10.

***U. S. Banks***

The banking situation in the United States and the probable course of events. Page 3.

***Extra Profits***

Premium on gold adds 33 to 45 per cent to normal profit of gold mines. Page 16.

***Business Trend***

State of trade in each of Canada's five economic areas. One feature of a bright business page. Page 7.

***Interest Rate***

Canadian banks could reduce interest rates on savings deposits and still pay as much as banks in Australia, Britain and United States. Page 12.

***Economic Advice***

What leaders of business and finance prescribe as remedy for depression as told to the U. S. Senate. Page 6.

***Jig-Saw Boom***

It is still raging and $100,000 a week is being spent. But there are signs the boom will wane soon. Page 9.

***Goodwill, $1.***

Some firms value their goodwill in their balance sheets at $1 but others value it at millions. A story of corporation policies in regard to this important if intangible property. Page 8.

***Reciprocity***

Ottawa speeds negotiations to effect trade treaty with U. S. by end of 1933. See news article, page 1, "The Nation's Business," page 2.

# *Balanced Budget Is Key To Recovery*

### *Many Fallacious Arguments Offered to Support Theory That Governments Should Not Cut Costs in Time of Depression*

Budget day approaches. The minister of finance will be bringing down a record of Canada's finances in the current year and making a forecast for the coming year. That he will show a huge deficit for the year to March 31 next is certain. It will probably be $150,000,000. It will be Canada's third successive federal deficit. The three together will total nearly $400,000,000. This much will have been added to the Dominion's debt by reason of the failure of the government to live within its income.

How long can budget deficits continue? How long can accounts be squared by borrowing? There is a pretty theory held in some circles that governments need not, should not balance their budgets in times of depression; that it is better to spend money and keep people employed, that the deficits can be looked after by debt reduction in later, prosperous years. Pursuing this theory has caused governments and public credit to crash in more than one country since the war. In Canada it would have some validity if two other propositions were true; if the country had actually reduced its debt in more prosperous times; and if there were assurance that public borrowing to meet the deficits were possible without limitation.

**Debts Cut Little in Good Times**

As to the first the simple fact is that between March 31, 1926, and March 31, 1930, our most prosperous period—we decreased the public debt by $240,000,000 and increased the railway debt (which is equally the burden of the taxpayers) by $191,000,000, a net decrease of $49,000,000 and a saving so infinitesimal that it was gobbled up by the first seven months of deficits in the next fiscal year. In fact the net public debt and railway debt at March 31 this year will show an increase of about $500,000,000 in the three years since March 31, 1930.

As to the second proposition, it is obvious to even the casual observer of finance that we are nearing the limit of our borrowing powers. American capital is not available to us today; the British market is not ready. Canadian investors will do well if they look after the government's maturities.

**War Parallel No Parallel at All**

Another argument is presented against balanced budgets.

It is argued that this crisis is an emergency as great as war—"greater than any war," one American captain of finance said the other day. Why then should not governments spend as freely, mortgage their country's credit as willingly, borrow as extensively and tax as heavily as they do in wartime?—it is asked.

There are a few very vital differences between a war period and the present. During a great war prices are rising and the weight of debt as it accumulates is in turn lessened by this fact. Profits too

(Continued on page 2, col. 1)

# *Beauharnois Plan Opposed By Group at Toronto*

A new plan of reorganization for Beauharnois Power Corp. has been prepared by Toronto interests and this plan will be presented to the Bondholders' Protective Committee for their consideration at an early date. Details of the plan are being closely guarded at the present time, but is understood that provision is made for a greater return to present Beauharnois bondholders than is provided for in the Montreal Power plan or reorganization outlined in The Financial Post last week.

Critics of the Montreal Power plan are numerous and the chief contention is that holders of Beauharnois bonds are asked to waive $9,900,000 of interest which would accrue to the common shares while the additional principal amount of long term bonds which they would be given in return for this concession would not offset the interest waived. Unless the proposed plan of Montreal Power is amended it is expected that it will face organized opposition when placed before bondholders for their approval.

The Toronto group which has prepared an alternative plan to that of Montreal Power is understood to have support from Montreal interests that have been closely in touch with Beauharnois Power Corp.

From Our Own Correspondent

MONTREAL. — Wide interest has been shown here in the proposed plan of reorganization for Beauharnois Power Corp. as outlined exclusively in The Financial Post last week. It had been expected that by the beginning of this week the official plan of the Committee would have been made public. It is now understood that this plan will not be forthcoming immediately, but when it does make an appearance, will not differ in essentials from that given in The Financial Post. The first mortgage bonds will, however, bear a coupon rate of 5½ per cent, and not 5 per cent as mentioned.

It is the feeling here that the Montreal Power proposal is as favorable as can be expected under the circumstances. It is pointed out that few organizations in the Dominion are in a position to sponsor such a plan. Montreal Power has ample liquid resources to assume its obligation under the plan and the fact that this company is associated officially with the Beauharnois enterprise, would give the latter an investment standing which it has not enjoyed to date.

For many months past the Beauharnois situation has been unsettling the financial markets. The loans by the banks and advances from the Dominion Government would have to be cleaned up, while the finding of funds for the completion of the project presented another problem. Both of these difficulties would be overcome by the Montreal Power proposal, while approval of the plan would take Beauharnois out of the political arena, a factor which has not been in its favor.

# SEE NO CHANGE FOR STANDARD RAILWAY FARE

### Bargain Trips Lower Receipts Per Passenger Mile

### TRAFFIC STIMULANT

### But General Rate Cut Would Not Tend to Increase Volume is Opinion

From Our Own Correspondent

MONTREAL.—Reduction of passenger rates, so far as standard fares are concerned, is not considered likely at the present time. General decline in prices has led to the opinion in some quarters that passenger rates might be lowered from the 3.45 cents per mile prevalent today. Railways have sustained a continued falling off in traffic and the opinion has been expressed that they might drop their rates in an effort to stem the decline.

Average rates have been reduced, though in an indirect manner. Operating statistics for 1932, when they are published, may be expected to show lower receipts per passenger mile than in the previous year; in 1930 average receipts per passenger mile was 2.76 cents. The fact is that the 3.45 cents has little bearing on the situation except that railways may not exceed that figure. It was established in 1919 and represented an increase of 15 per cent over the previous rate.

**Fares Below Standard**

But since this rate has been established average passenger receipts have never approached the maximum; the nearest was in 1921 when average passenger receipts per mile were 3.04 cents. That receipts are below the standard is due to such factors as special trip rates, press and commercial travellers' tickets, mileage books, competitive rates in certain sections of line, and similar reductions.

But receipts in 1932 will reflect effects of the greatest innovation in passenger traffic for the past 20 years, operation of bargain excursions. With exclusion of harvester rates, the public has not been offered such bargains in transportation since pre-war days. Both the Canadian Pacific and the Canadian National Railways have employed bargain trips extensively during the past year and they have found them an important item in cutting down overhead.

**Attract Passenger Volume**

It was in February, 1932, that the first bargain excursion in recent years was advertised. Success which attended introduction of this policy was immediately evident and from then on both railways have employed this traffic stimulant extensively. Excursions have been confined to congested areas in Eastern Canada though some have been operated on the Pacific Coast. Rates were made sufficiently attractive to draw a large volume of business to the roads; in most cases fares quoted have been a fraction of a cent per mile.

Thousands have taken advantage of these bargains in transportation and operating figures for 1932 will probably be influenced by the low fares and the revival in mass transportation. Thus fares have been indirectly lowered though the standard has remained unchanged.

**Further Cuts Unlikely**

If these excursions are so well patronized, some individuals ask, why do not the railways lower their standard rates? Railwaymen say there is no analogy between the two situations. Broadly speaking it may be said that success achieved in bargain trips has no bearing on the situation as it pertains to other passenger traffic.

Excursions, it is claimed do not attract the regular traveller and he does not concern himself with bargain rates. There are numerous concessions granted in fares to regular transients and it is doubted whether traffic would be stimulated

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Utilities and Transportation 4

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## Balanced Budget Is Key To Recovery

(Continued from page 1)

are rising and taxation bears less heavily upon corporations and individuals, even when the rates are higher.

Today things are different. Prices have collapsed and continue to decline. A dollar borrowed yesterday really means a dollar and a half owed today. Profits have almost disappeared and are hardly available to be taxed. Incomes are declining instead of rising.

Wars are financed in the midst of inflation but you can not finance a government easily in the midst of deflation.

With all the temporary economic stimulus of the war, emergency financing proved fatal to the financial structures of many countries which have a generation of reconstruction ahead of them. Take Russia. Take Austria. Take Germany, as examples.

War precedents are no adequate guide for public financing policy in this emergency.

### Does Budget Balancing Hit Workers?

The plaint, too, is heard that governments can only reduce expenditures by reducing staff, cutting salaries or otherwise putting less money in circulation. When governments economize unemployment is increased, runs the argument. The basic theory is that government spending creates prosperity, that a nation can make itself rich by profligate squandering of public funds. If there were any truth in this curious belief then Ottawa would be wise to spend money twice as rapidly as it is doing now and put all of our 700,000 to 800,000 unemployed at work.

Expenditure of money by a government whose credit is not endangered, that can indisputably service the bonds it issues, on necessary public works that will pay for themselves in income or definite service, is a contribution to prosperity. Canada can not meet these primary conditions and therefore cannot spend itself into stable business activity.

Adam Smith wrote in the "Wealth of Nations":

> "Great nations are never impoverished by private, though they sometimes are by public, extravagance."

It is not a question of keeping present civil servants in their jobs but of creating—through the stimulus given private enterprise—jobs for the hundreds of thousands now out of work.

### Wanted: a Budget Balancing Plan

The best contribution the federal government could make towards business recovery in Canada would be an announcement in the budget speech of the minister of finance that a definite scheme of budget balancing had been adopted and was being put into effect.

To announce that the country could definitely live within its income in the 1933-34 fiscal year would establish Canada's credit at home and abroad and buttress private credit. It would greatly stimulate confidence, which must be the mainspring of prosperity.

A promise of a surplus as fictitious as the $4,300,000 surplus forecast by Mr. Rhodes a year ago would not fool many investors and certainly no important foreign financiers, for in his forecast Mr. Rhodes not only counted on a maintenance of the volume of business but he gave no consideration to railway deficits, relief expenditures, etc.

This government has shown some ability in the ordinary processes of departmental economy having cut ordinary expenditures from $390,000,000 in 1930-31 to between $320,000,000 and $350,000,000 this year. But the savings at the spigot of departmental routine have been lost several times over at the bunghole of relief, public works, new bureaus, etc.

It is doubtful if the government can achieve a balanced budget without preparing the ground for refunding maturing bonds at lower rates of interest, cutting war pensions in line with the cut in salaries, perhaps cutting larger salaries again, enforcing even more drastic economies upon the government railways, eliminating still more of the waste in relief, and closing up or merging, for the time being, a number of governmental offices engaged in work that is useful but not indispensable.

### Public Will Accept Equality of Sacrifice

It may be that higher taxation will be necessary although the taxation limit is practically reached. Higher taxation to maintain present extravagances will be unpopular. Higher taxation, presented as an emergency measure of "equality of sacrifice," with very considerable curtailment in expenditures, would be swallowed by patriotic citizens with the stoical calm of the Britisher who accepted another 6d. in the £ on their income tax, knowing that before taxes went up, expenditures had first gone down.

Even if complete budget balance can not be achieved in 1933-34, the next best step can be taken if the government has the courage to present a two year or a three year programme of logical steps leading inevitably to this objective.

### Must Maintain Credit of Canada

The credit of Canada rests upon the assumption that must be maintained in the minds of people at home and abroad that this country will honor in the letter and in the spirit every obligation it assumes. If the country assumes obligations which in the opinion of lenders are greater than the country can possibly honor then the credit of the country will suffer and no amount of protestation of good faith will avail anything.

The credit of the national government is the keystone of the whole arch of Canadian credit. The provinces and the municipalities are interested in the maintenance of federal credit. Every private corporation and individual is likewise interested.

To protect our credit structure in Canada it is essential that we make the necessary sacrifices to balance the federal budget, that the government at Ottawa demonstrate that it is able to live within the income that the people of Canada at great sacrifice can grant to it from their already lean purses.

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## The Nation's Business

(Continued from Page One)

ment relief donations, etc., which for some reason or other are treated in government accounts as though they did not cost the taxpayers anything.

* * *

THE federal government in the year 1928 spent just under six per cent of the total national income. The income is for the actual calendar year 1928 and the expenditures are for the fiscal year which included the largest number of months of 1928. In 1929 the federal government spent over six per cent; in 1930 nearly nine per cent; in 1931 nearly 13 per cent; in 1932 probably 16 per cent, although a final estimate can shortly be made.

With provinces and municipalities keeping pace the profligate use of our diminishing incomes, the rapidity of our approach to national bankruptcy is obvious.

How long can governments show deficits without coming to a breaking point? Just as long as they can borrow money at home or abroad; that is, just so long as they retain any measure of public confidence; or to put it still another way, just so long as their credit survives the strain of borrowing.

Governments meet excessive expenditures either by heavy taxation that is in effect a levy upon the country's accumulated capital resources or by pledging their credit, which is a mortgage on the future income and capital resources of the nation. Both are barriers to prosperity. Both discourage creative effort by private individuals.

### Reciprocity Before Year Ends

A TRADE treaty between Canada and the United States is already under serious advisement between representatives of the two countries and there is a very definite possibility that a treaty will be concluded and signed before the end of the year.

It may come as a surprise to many Canadians that the traditional tariff policy of the United States for the past forty years has been to shun preferential or reciprocal trade agreements such as are so familiar to us in this country and to pin its faith on a single tariff rate for each commodity and for all countries. Thus although the United States has signed "most-favored-nations" pacts with several countries, these have not obviated a policy which, despite several abortive attempts at reciprocal trade in the interim, has been consistently followed in actual practice for four decades. Franklin D. Roosevelt's plan, as did that of his predecessor, President McKinley, cuts clear across this traditional policy and aims definitely to make an individual dicker with any nation where a mutual trade advantage is in prospect.

A STUDY of the history of Canada's trade relationships with the United States points to one or two conclusions which are of value in the present situation. First it is obvious in the light of past experience that no treaty of this nature will be satisfactory if it follows the plan of former reciprocal pacts and is subject to abrogation at any time by either country. This has been an inherent weakness of every reciprocal pact the United States has ever negotiated in the past and is apparently a danger Mr. Bennett is fully prepared to meet by insisting that any pact be for a definite term of years.

Another angle of the negotiations of primary importance will be the type of power vested in the hands of President Roosevelt, personally, in regard to negotiation of tariff bargains. Previous experience has indicated the futility of negotiations of this nature if after the treaty has been drawn up, it is dependent on ratification by Congress. The hope is already being freely expressed at Washington that Congress will see fit to clothe Mr. Roosevelt with broad powers to negotiate these tariff bargains and that they will subject such treaties only to their power of veto rather than to affirmative action by either or both Houses.

* * *

JUST what the chances of success may be is difficult to predict as yet. Mr. Bennett is apparently firm in the belief that a sound basis of agreement can be found without in any way touching the Ottawa Conference agreements. One great difficulty will be the finding of suitable openings for Canadian imports to the United States in view of Mr. Roosevelt's unquestioned stand in favor of maintaining the purchasing power and increasing the markets of rural areas. One of Canada's largest foreign markets for agricultural products prior to 1921, was, of course, the United States and whether or not any gains could be made in this direction is problematical.

One factor that augurs well for success is that for perhaps the first time since 1854 (provided Mr. Roosevelt is clothed with power sufficient to support his plans) a sentiment favorable to a trade treaty between the two countries seems possible on either side of the 49th parallel. Failure of reciprocal treaties between the two countries in the past has invariably hinged in considerable measure on inability to find an exactly similar sentiment in both countries at the same time. In 1868 the U. S. A. wished to cancel the 1854 pact and despite the best effort of Canadian statesmen no further enthusiasm could be engendered at Washington for another 20 years. Then at the turn of the century when President McKinley would have introduced reciprocal legislation, both Liberals and Conservatives had turned against the plan. A similar situation arose in 1911 when a favorable attitude in the United States met with no similar response from the Canadian electorate.

It does not seem impossible, in view of the general recognition of the need for lower tariff barriers, that if a satisfactory basis of agreement could be arrived at, it would receive a very large measure of approval on both sides of the international boundary.

time, of seeking any modification of the bargains that were struck at Ottawa last August. In fact it is not improbable that the government will regard any restraining influence exerted by the treaties as very much to the good.

Among the 159 items are many that are of importance to the United States.

There are:

Florist stock, tomatoes, photographic paper, felt shingles and roofing, chemical compounds, aniline and coal tars, bacteriological products or serum, boracic acid and many related chemicals, cotton seed and crude cotton seed oil, crude peanut oil, earthenware tiles, aluminum and alloys, nickel in ingots and blocks, Britannia metal and copper rollers for calico printing, bars and rods of iron and steel, hoops and bands and plates of certain sizes, iron and steel angles, forgings, tires, iron and steel wire, sprocket and link chain, cream separators, diamond and core drills, certain classes of mining machinery, various kinds of presses, typewriters and complete parts, road paving machines, a wide range of dairy machinery, motor truck engines, motor bus engines, knives, scissors, razors, automobiles, electric and telephone and telegraph apparatus, electric storage batteries, electric wireless and radio apparatus, surgical and dental apparatus, certain counts of cotton yarn, cotton fabrics, linen thread, sheets, pillow cases, jute fabrics, anthracite coal, balata, gutta-percha, india-rubber boots and shoes, gasoline engines.

On some forty or fifty other items the rates against Empire goods are low and the tariff structure could only be reduced slightly.

### Wide Range Outside

Outside the treaties, however, there is plenty of opportunity to give the United States substantial advantages in our market. The government, undoubtedly, intends to do so. In fact the attitude here is that except for the treaties, which must stand, nothing will be allowed to bar the way to a successful issue of the negotiations.

So far, negotiations have been confined to the reception at Ottawa of an emissary from Mr. Roosevelt, and the reception at the Roosevelt home, at New York, of Hon. W. D. Herridge, Canadian minister to Washington. Negotiations are likely to continue in an informal way until April when Mr. Bennett is expected to visit Washington and begin direct conversations with Mr. Roosevelt.

### Want Restrictions Removed

It would seem that the new United States' administration is concerned not only about a trade treaty with Canada but with obtaining concessions with respect to exchange rates and dump duties and ordinary dump duties as well as arbitrary duty values. With respect to exchange rates, it would, perhaps, be more accurate to say that the Democrats would like some understanding as to future Canadian policy, would like to tie the Canadian dollar as closely to the American dollar as possible.

Right here, without touching the tariff, very substantial concessions can be given to the Americans. But of chief importance is the fact that negotiations already have begun and that a Canadian-United States trade treaty seems to be a real possibility for 1933.

By no possible stretch of the imagination can the new treaty resemble the reciprocity agreement of 1911. It will be for a term of years and will be terminable only after due notice. The 1911 agreement was an agreement and not a treaty. It was to be incorporated into the statute law of both countries and the entire agreement was to lapse the moment either party amended, in any particular, all or one of the duties covered by it.

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## NATION SPENDS $293,000,000 ON JOBLESS

(Continued from page 1)

pects to expend $25,000,000. The grand total expenditure, including the provinces and municipalities, may be placed at $65,000,000.

### Problem Not Solved

Has the expenditure of this vast sum of money solved or simplified the unemployment problem? Far from it. The numbers existing on state relief today are greater than ever before. In 1930-31 periodic work was given 337,633 persons and direct relief to 121,012 families and 73,588 single individuals. In 1931-32 periodic employment was given to some 472,761 persons and direct relief to 213,053 families and 111,951 single persons. In 1932-33, the figure is set for the month of January, 1,357,562 persons were in receipt of periodic relief. In other words, the state — as represented by the various governments, has found itself incapable of solving the problem, even of adequately meeting it, by either relief works or the dole. The barest fraction of trade improvement would have given far greater relief to unemployment than all that governments have been able to do.

### Watchful Expenditure

Moreover, the government now admits what has been common knowledge among business men for a year or more, that the state unemployment relief policies have been both wasteful and inefficient. In the fiscal year now ending, federal expenditures will be approximately $25,000,000, a drop of $20,000,000 against last year. Hon. W. A. Gordon, in his annual statement, freely admitted that the saving was due, in large measure, to increased efficiency and more careful auditing.

It is well understood here that the revelations which have attended recent Royal Commission inquiries into local relief administration could be duplicated in many other parts of Ontario and in every province of the Dominion. Divided authority, the passing of money by one government over to another, the poisonous influence of politics in the public expenditures, all these have made for loose control of relief funds. Mr. Gordon is making the most vigorous efforts to straighten out an administrative mess, not of his creation and the fault, entirely, of the policy adopted rather than of any particular government, and further great savings are to be expected.

### Borrowing From Ottawa

Another and most alarming aspect of the relief policy of the past 30 months is the condition to which the western provinces have been reduced. Doubtless many municipalities are equally in distress, but since the Federal Government has no direct relations with the municipalities, the annual Parliamentary statement contains nothing in this regard. But it is evident that in endeavoring to meet unemployment costs, the western provinces have not only strained their financial resources, but have fallen short of their obligations in other directions, and have been compelled in an ever-increasing degree to depend upon Ottawa.

### Loans to Manitoba

Federal loans to Manitoba may be summarized as follows:

| | |
|---|---|
| Loans covering provinces share of public works and/or loans to municipalities for their share | $2,900,000 |
| Loans covering New York commitments | 3,133,316 |
| Loans re direct relief | 1,527,314 |
| Loans for seed grain — net amount outstanding | 380,000 |
| Total | 7,940,630 |

In addition, there is outstanding some $150,000, being the balance of advances made by the Dominion for the Dominion's share of various relief enterprises.

### Loans to Saskatchewan

Advances to Saskatchewan have been much greater:

| | |
|---|---|
| Loans covering provinces share of public works and loans to municipalities | 1,673,212 |
| Loans covering New York commitments | 3,934,341 |
| Loans for provincial purposes | 6,653,740 |
| Loans for direct relief | 200,000 |
| Seed grain loans, net amount outstanding | 5,590,000 |
| Total | 18,051,293 |

In addition, $2,000,000 was provided for the Saskatchewan Relief Commission and a further $8,250,000 for the Dominion's portion of relief cost in the dried-out area administered by the province.

### Loans to Alberta

Advances to Alberta have been:

| | |
|---|---|
| Loans covering provinces share of public works and loans to municipalities | 2,200,000 |
| Loans covering New York commitments | 3,142,000 |
| Loans for provincial purposes | 500,000 |
| Seed grain loans | 140,000 |
| Total | 5,982,000 |

### Loans to British Columbia

Advances to British Columbia have been:

| | |
|---|---|
| Loans covering provinces share of public works and loans to municipalities | 3,261,587 |
| Loans covering New York commitments, net amount outstanding | 2,063,494 |
| Loans for direct relief | 262,500 |
| Total | 5,587,581 |

The grand total of these advances, practically all of which should be recoverable from the provinces, is $37,561,504. British Columbia alone seems to be making an effort to reduce its indebtedness to the Dominion. The coast province has paid back something over $3,000,000 of advances for purposes of meeting New York Commitments. Manitoba has refunded some of the seed grain advances.

Chief interest attached to the annual review of unemployment expenditures because of the statement of policy for the new year. The Dominion is endeavoring to reduce relief costs to the minimum and it is quite possible that expenditures in the new year will show a marked reduction over those in the year now ending. Mr. Gordon, as the minister in charge, left no doubt as to his views. He believes the less the state assumes the paternalistic rôle the better. He believes all the unemployed, or most of them, can either be placed on the land or absorbed into other kinds of employment.

In the new year, direct relief will be continued, with the Dominion paying one-third of the cost and the other two types of government paying the balance. The Dominion will contribute 50 per cent of the cost of boarding camps established in Eastern Canada, and 100 per cent of the cost of single men camps in the West. Fortifications at Halifax and Quebec will be gone on with. The back-to-the-land movement will be vigorously encouraged. Work will be carried on at the Dominion's expense in national parks and so forth.

The main hope of cutting down the expenditures, however, lies in placing the unemployed on the land, and in transferring them to fields where employment is to be had. In both respects, substantial achievement in 1933-34 is expected.

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## Business Expects Higher Sales Tax

An increase in the sales tax by March 15, from six to eight per cent or more, is anticipated by manufacturers and merchandisers in Canada. Estimates of the probable new rate, which is expected to be announced with the forthcoming federal budget, vary from seven to ten per cent.

Merchandisers in some instances have placed rush orders for goods to be delivered immediately, in order to get in spring stocks before any increase in the tax comes into effect. Others have merely arranged for immediate shipment of merchandise already on order, but have not made additional commitments, because it is unprofitable to do so very far in advance.

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## Interchange of Exchanges Is Approved

At a meeting of members of the Standard Stock & Mining Exchange held in Toronto February 28, a by-law was passed that permits an interchange of membership with the Toronto Stock Exchange.

Recently negotiations have been reopened that would permit of a merger of these exchanges and the latest step is considered a further move in that direction.

In view of the trading activity on the Standard Stock & Mining Exchange, other exchanges in Canada have been doing a profitable business in arbitrage on as little as one per cent per share spread. Inasmuch as this is less than the prevailing commissions, the Standard was forced to take steps to restrict arbitrage to a spread approximating the commission schedules prevailing.

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## GOVERNMENT SERIOUS AS TO POSSIBILITIES CANADA-U. S. A. PACT

(Continued from page 1)

be terminable only after due notice has been given.

### Background Significant

These are the public statements bearing on this latest and most important trade development. In the background are facts of even greater significance. Informal communications already have passed between Mr. Bennett and Mr. Roosevelt. These communications, it is learned, clearly reveal that both sides are in earnest and that there exist no serious barriers to success.

Canada, it appears, has made known her intention of seeking entry into the American market for her natural products — livestock dairy products, lumber, potatoes, and similar articles—and this view, in principle, has been accepted. In return, Canada will be asked to reduce tariffs on manufactured goods, and this the Bennett Government is prepared to do.

### Ottawa No Bar to Success

It has been represented in the Liberal press that the Ottawa treaties stand in the way of successful negotiations with the Roosevelt administration. The Bennett Government, emphatically, does not believe this statement to be true. From the very outset of the discussions, it has been made clear to Mr. Roosevelt that the Ottawa treaties must stand; that the Bennett Government has no intention of seeking revision of these facts in order to obtain a freer hand in making tariff concessions to Washington.

The Ottawa treaties, undoubtedly, will exert a limiting effect upon a United States-Canada trade treaty, but will not prevent a bargain being made. There is plenty of room, outside the treaties, to give the United States concessions in this market which will compensate for all that Canadian farmers and other primary producers stand to gain.

### Only 230 Items Affected

To begin with, the Ottawa treaties affect but 230 tariff schedules out of a total of nearly 1,200. The treaties do not provide that tariff items cannot be changed. They simply stipulate that the margin of preference may not be narrowed. There are but 159 items upon which the treaties extend free trade to the Empire. On these, of course, tariff reductions to the United States are impossible without the consent of the British and the Dominions' governments. The treaties, however, provide for the revision of the tariff by mutual consent and it is conceivable this provision might be resorted to. But the Bennett government has no intention, at this

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## MONTREAL'S TAX PROPOSAL HITS CHAINS

(Continued from page 1)

tax is applied United Amusement will have to pay an additional $18,151 in taxes to the city each year.

Famous Players Canadian Corp. is directly interested in two theatres in Montreal. These have a seating capacity of 5,218. The proposed tax would limit the company's earnings from its Montreal properties by $5,435.

### Propose Tax Brokers

Most city councils would regard the foregoing as a good day's work, but not Montreal's council. The proposed amendments to the city's charter cover a special tax of $200 on brokers with head office in the city. Outside brokers, i.e., Toronto financial houses with branches in Montreal, would have to pay $1,000 for the privilege of doing business with Montreal's citizens.

Among the "outside" houses affected by this ruling, if approved by the provincial legislature, might be mentioned Dominion Securities Corp., A. E. Ames and Co., Osler and Hammond, James Richardson and Sons, Bongard and Co., and others.

### Opposition in Force

Numerous other forms of taxation are proposed by Montreal's aldermanic council. Needless to say those interests concerned are prepared to battle strenuously in opposition. The Canadian Manufacturers' Association, the grocery chain store operators, utility interests, dairy companies and others are preparing to descend upon Quebec City and give their views on the proposed amendments to the city's charter to the private bills committee of the provincial legislature.

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## SEE NO CHANGE FOR STANDARD RAILWAY FARE

(Continued from page 1)

at all by a reduction in standard fares.

Excursions, on the other hand, serve an excellent purpose since they have tended to bring forward an entirely new class of passenger traffic. They have been patronized for the most part by individuals who seldom travel; who, indeed, would not be travelling unless they had been given an opportunity to do so by extremely low rates. Citizens of small towns have flocked to the larger centres to visit relatives; return trips have taken back a corresponding number of passengers from the city eager to see their friends in the country. But only in few cases has the excursion invaded the field of regular traffic.

In short bargain trips are something quite apart from regular passenger business. They have been successful for the most part but their chief use to the railways has been their ability to utilize idle equipment and give employment to workers. So long as an excursion train pulls out of the terminus with a certain number of passengers the train will pay its way, but if volume falls below a fixed point there is a sure loss for the railway company.

### Might Cause Further Loss

Accordingly those close to the situation see no advantage to be obtained from a reduction in regular passenger rates. No brisk improvement in volume could be anticipated and lower fares would only result in still greater losses on passenger traffic revenue. Rates, it is contended, are a secondary consideration with the majority; equipment and service in the past have been the main stimulant for regular passenger traffic.

In the United States railways are seeking to offset the passenger decline by sale of mileage books, a policy which has been in force for some years in Canada. Western United States railways are placing books on sale at a rate equivalent to 2.7 cents a mile, a reduction of 25 per cent from the standard rate of 3.6 cents a mile. Eastern railroads are stated to be considering a similar plan. It is 15 years since eastern roads in the United States offered such books at $25 for 1,000 miles with a refund of $2.50 if the book were used within a year. Meanwhile the roads, in Canada, have been experimenting with excursion rates as an inducement to travel.

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# SEE EXTENSION OF MORATORIA ON U. S. BANKS

## Effect on Canadian Institutions Would be Negligible

## BANKS LIQUID HERE

### Guarantee of Deposits by U. S. Gov't Suggested Alternative to Freezing of Bank Assets

Close observers consider it probable that banking moratoria, "freezing" substantial bank assets may continue to extend in the United States. This will have only negligible effects on Canadian banks, it is understood.

Dictatorial powers have been vested in the president of the United States, the secretary of the treasury and the comptroller of currency to allow "freezing" of assets of national banks. This corresponds to the powers of state banking authorities. Federal guarantee of deposits has been suggested as an alternative method of saving the situation. There is sufficient legislative opposition to the guarantee scheme to make it unlikely until the "freezing" plan has first been tried.

The financial powers of the Reconstruction Finance Corp. and the Federal Reserve system are apparently not great enough to handle the widespread banking distress. Hoarding of currency and gold have been a natural result of the United States banking difficulties, and have complicated the problem.

**Canadian Banks Protected**

In spite of our close economic association with the United States Canadian banks do not carry large balances in that country. At Dec. 31, 1932, obligations of all foreign banks amounted to only about 11.1 per cent of the immediately available liquid resources of the Canadian banks. The proportion of these foreign balances held in the United States is even smaller. Deposits by individual Canadians in United States banks are probably no larger than has been deemed essential.

The situation in the United States is that a large proportion of the banks are liquid to the extent of only 20 to 30 per cent of their deposits. Many are even less liquid. This is in contrast to the Canadian situation where banks are from 50 to 65 per cent immediately liquid. Moreover the longer term assets of United States banks include substantial loans against real estate. This is one of the major factors in their present frozen position. In addition, the liquidity of some United States banks is impaired by the fact that "liquid" assets are often held in other banks in the form of deposits. Thus, the liquidity of the depositor bank depends in considerable degree on the position of its correspondent institutions. Canadian banks have much of their funds in commercial loans, which are liquid over a period of only a few months. Such loans usually liquidate themselves in contrast to the mortgage holdings of United States banks.

As a result of this lack of liquidity in the United States, drastic measures have been enacted to prevent wholesale closings of financial institutions in several states. This may continue. It appears that there is likelihood of extensive use of the system which was instituted in Michigan. Banks in a number of states may be authorized to remain open, but be allowed to do business only on the basis of their liquid assets. Under this system, a large part of their deposits would have to be frozen, pending liquidation of the frozen assets of the banks.

**Couzens Resolution**

The Couzens resolution, which allows this restriction, was recently rushed through the U. S. senate. The resolution gives wide powers to the president, the secretary of the treasury and the comptroller of currency. They are allowed the same latitude in governing national banks as state banking authorities have over their state banks. Just what this means was recently illustrated in Michigan and Maryland where the governors were able, on short notice, to close all the banks in their respective states. Other states can do the same thing, and a number are doing this. This would stop possible wholesale bank closings, but would be the equivalent of receivership.

The chief objection raised to the suggestion of United States federal guarantee of deposits is that it would mean nationalization of banking. It is also contended that it would favor weak banks.

The Reconstruction Finance Corp. has been flooded with requests for funds to aid banks, and its enormous resources would probably be severely strained to meet them. It is thought that the Roosevelt administration may not favor using R. C. F. funds for financing purposes, but may insist that the money be used for construction work. The Federal Reserve system has been pouring credit and cash into the banking breach, but with little apparent effect.

**Gold and Currency Hoarded**

An unprecedented demand for currency has been a natural outcome of the United States banking troubles. The total volume of money in circulation, due to hoarding, has reached unprecedented levels. It is now substantially above the former high mark reached last summer. A rapid increase has been taking place since the beginning of January.

Lack of confidence, even in the currency, is thought to be the reason for a marked tendency toward gold hoarding in the United States. There is said to be a greater strain on the country's enormous gold holdings from domestic sources than from abroad. Millions in gold coin have been withdrawn from reserves in small amounts, apparently for hoarding. In one recent week the decline in Federal Reserve gold stocks was 23 million dollars more than the decline in total monetary gold supplies. This means that 23 millions more were taken from the Federal Reserve than went into bank holdings, and is believed to represent hoarding of this amount of gold. This tendency is on the increase.

Foreign centres have also shown a tendency to draw on the stocks of gold in the United States in recent weeks. This is shown in the following compilation by The Financial Post:

**Net Changes in Gold Movements to and From the United States***

(000's omitted)

| Week ended: | Net move't. $ | Week ended: | Net move't. $ |
|---|---|---|---|
| Dec. 21 .. | +118,054 | Jan. 25 .. | —10,758 |
| Dec. 28 .. | +15,728 | Feb. 1 .. | —9,375 |
| Jan. 4 .. | +18,018 | Feb. 8 .. | —15,117 |
| Jan. 11 .. | +23,637 | Feb. 15 .. | —24,619 |
| Jan. 18 .. | +11,700 | Feb. 22 .. | —51,942 |

*Includes changes in earmarked gold.

It can be seen that the net movement has been definitely from the United States in increasing quantities in recent weeks. The first week shown includes the British war debt payment, of $95,500,000, on Dec. 15, 1932. If this amount were excluded, the total net movement over this ten week period would be outward from the United States.

**Foresee Further Exports**

Exchange authorities foresee additional shipments abroad from the United States in the near future, if the present trend in currency quotations continues. French, Belgian, Dutch and Swiss currencies have all improved sufficiently to warrant such gold exports from the United States. These foreign withdrawals are said to indicate nervousness of the budgetary and banking situation in the United States. The domestic gold demands in the United States, on the other hand, are thought to indicate fears of the currency itself.

Neither Canadian dollars nor sterling have shown the strength of other currencies in the United States. This may indicate that the funds which are being transferred from the United States are seeking safety chiefly in gold currencies.

# *Sterling Duty Value at $4.86 Now Obsolete*

## *Adjustment of British Price Level to Sterling Value in World Market Makes Use of Gold Parity and Dumping Duty Unfair*

Unfair discrimination against British goods on which duty is payable appears evident from an investigation of the situation made by The Financial Post.

Valuation for duty purposes of the pound has remained at $4.86 2/3 although this is the gold parity and Britain has now been off the gold standard for 18 months. During this period internal wholesale prices in Great Britain have gone a long way to adjusting themselves to world levels in terms of gold on the same plane as in 1930 when Great Britain was on the gold standard. Valuation at $4.86 2/3, therefore, when the current value of sterling is approximately $4.10 discriminates against British goods to the extent of 15 per cent.

**Prices Adjusted**

This is only true, of course, if internal commodity prices in Great Britain have adjusted themselves to the devaluated pound. That this has been accomplished as far as Canada is concerned is obvious when it is remembered that prior to Britain's flight from gold wholesale prices in that country were considerably below those of Canada. In 1930 they were seven per cent below the Canadian level, while at the present time they are seven per cent above the Canadian level, a spread of 14 per cent. This spread is accurately discounted by the present quotations for sterling in terms of Canadian dollars.

Briefly, the situation can be explained as follows: Goods valued in Britain at £93 in 1930 were assessed for duty purposes at $4.86 2/3 or at $452.60; on the basis of the change in wholesale commodity prices compared with the Canadian level these same goods would be worth in Britain £107 in 1933 but would still be assessed for duty purposes by Canada at $4.86 2/3, or at $520.73, an increase of almost exactly 15 per cent.

**Dumping Duty**

Not only is ordinary duty collected at par but an additional burden must be shouldered owing to the dumping duty. This dumping duty was instituted to prevent British manufacturers taking advantage of the low value of sterling on world markets and placing the Canadian manufacturer at a disadvantage by exporting goods to Canada at prices which could not be met by the domestic producer. However, as has already been seen, commodity prices in Great Britain have now adjusted themselves to the value of sterling so that this fear of unfair competition has been removed.

At present levels this dumping duty of the difference between the current rate of sterling in Canada and $4.40 is such a severe addition to goods which already have to pay customs duties as to practically bring trade in many lines to a standstill, importers inform The Financial Post. Many of these lines so affected (chiefly woollen and knit goods) did not compete directly with Canadian produce and have always commanded a higher price than the Canadian article, importers claim.

**62 Per Cent Impost**

Assuming duty of 15 per cent on the goods used in the previous example, the situation is now as follows: In 1930, the £93 worth of goods entered Canada valued at $452.60 so that duty would be $67.89; under the present system these goods, valued at $520.73 would be charged $78.10, plus dumping duty (assuming a sterling rate of $4.10) of 30 cents for each £ sterling, or $32.10, a total of $110.20. The added impost on these British goods is therefore $42.31, or 62 per cent.

This hypothetical case does not take into account sales tax of six per cent and excise tax of three per cent which is imposed on all goods brought into the country and which would naturally pyramid the additions for duty and taxes to further heights. The example is merely used to bring out forcibly the fact that continuation of use of a $4.86 value for the pound sterling works a definite injustice on the British manufacturer and on the Canadian importer who handles his goods.

# Sterling Trust of B. C. Assets Total $380,585

Sterling Trust Co. of British Columbia, operating in Vancouver, had total assets of $380,585 at December 31, 1932, of which $174,928 was in estates trust and agency account. No statement of earnings is given with the balance sheet. The company has 2,500 shares of $100 par value subscribed on which $203,726 has been paid up.

Assets in capital account are carried at cost to the company owing to the death of A. M. Pound, former managing director, and reserves of $29,684 have been deducted from capital assets of $235.342. Assets in capital account include mortgages at $126,559; real estate, $40,176; loans on real estate, agreements and other assets $28,426 and $22,505 in bonds. Interest on investments, arrears as valued, is shown at $12,500. Annual meeting of the company will be held March 21 in Vancouver.

# PULP AND PAPER EXPORT VALUES OFF IN JANUARY

## Decline in Newsprint is Feature of Trade Returns

From Our Own Correspondent

MONTREAL.—Lower sales value and limited demand are reflected in pulp and paper exports for January, 1933, as reported by the Department of Trade and Commerce. The greatest decline has taken place in the value of newsprint exports. Other items show declines of varying importance, but the drop in newsprint values for all but $500,000 of the decrease.

Total trade in January last was valued at $6,890,093. This compares with $10,787,277 for the same month a year ago and with $7,317,459 in December, 1932.

**Newsprint Loss Heavy**

In the break-down of returns paper exports had a value in January, 1933, of $5,422,787 as against $8,957,366 a year ago. Newsprint shipments declined in value from $8,661,086 to $5,204,445, while other papers exported dropped from $296,280 to $218,342.

Pulp exports last month amounted in value to $1,457,306. This compares with $1,829,911 a year ago. Particulars of the individual classifications for January, 1933, and January and December, 1932 follow:

| Paper: | Jan., 1933 $ | Dec., 1932 $ | Jan. 1932 $ |
|---|---|---|---|
| Newsprint .. | 5,204,445 | 5,666,412 | 8,661,086 |
| Others ..... | 218,342 | 285,793 | 296,280 |
| Total ...... | 5,422,787 | 5,952,205 | 8,957,366 |
| Pulp: | | | |
| Sulphate .. | 167,343 | 179,736 | 67,904 |
| Sulphite (bl.) | 911,125 | 728,162 | 1,214,222 |
| Sulphite (unbl.) ... | 190,793 | 211,989 | 344,669 |
| Mechanical .. | 182,623 | 235,066 | 185,168 |
| Screenings . | 1,836 | 5,444 | 5,122 |
| N. O. P. ... | 3,586 | 4,757 | 12,826 |
| Total ...... | 1,457,306 | 1,365,254 | 1,829,911 |
| Tl. P. & P. | 6,880,093 | 7,317,459 | 10,787,277 |

# STANDARD STEEL OPERATING LOSS IS KEPT SMALL

## Liquid Position Continues Good; Cash is Higher

Standard Steel Construction Co. had a loss on operations of $14,764 in 1932. After provision for depreciation and after payment of taxes, insurance premiums and preferred dividends surplus was reduced to $250,666 from $301,032 brought forward from 1931. While working capital was reduced by $66,324, liquid position was improved and current assets still remain substantially above current liabilities with a ratio of 14.3 to 1.

Engaged in structural steel fabrication the company has experienced the depressed conditions general in its industry. The earnings statement of the past two years shows business at a low level compared with the earnings of $303,954 reported in 1929.

**Income and Surplus Account Years Ended December 31**

| | 1932 $ | 1931 $ |
|---|---|---|
| Net earnings ........ | *14,764 | 38,359 |
| Add: Other income .. | ...... | 4,090 |
| | *14,764 | 42,449 |
| Less: | | |
| Ont. corp. tax .... | 1,282 | 891 |
| Life ins. prem. ... | 3,135 | ...... |
| Net profit .......... | *19,181 | 41,558 |
| Less: Pfd. divids. ... | 29,370 | 29,370 |
| Surp. for year ....... | †48,551 | 12,188 |
| Add: Prev. surp. .... | 301,032 | 314,115 |
| Less: Income tax adj. | 1,814 | 2,678 |
| Invest. res. ........ | ...... | 22,593 |
| | 250,666 | 301,032 |

*Loss. †Deficit.

Cash has been increased to $112,575 from $71,609 while marketable securities, at market price, are down to $45,689 from $100,301. Accounts receivable are down to $48,014 from $84,568 and inventories to $127,124 from $157,797. Current liabilities include $16,312 of accounts payable and $7,343 in dividends payable on preferred shares. Working capital position is as follows:

**Working Capital at Dec. 31**

| | 1932 $ | 1931 $ |
|---|---|---|
| Current assets ...... | 344,207 | 422,401 |
| Current liabilities ... | 24,128 | 35,998 |
| Working capital ..... | 320,079 | 386,403 |

Fixed assets are carried at $493,816 after deducting depreciation reserve of $169,711. This reserve is $6,609, higher than in 1931. Investments at cost are shown at $7,710. There remains outstanding 9,790 shares of class A preference stock of no par value and 120,525 no par common shares.

# NORTHERN TRUST ADDS TO RESERVE

## Earnings Lower But Business Shows Small Decline—Real Estate Up

Net profit of $35,334, or 2.3 per cent on paid up capital of $1,500,000, is reported for Northern Trusts Co., Winnipeg. This compares with $55,752, or 3.7 per cent earned in 1931. Provision is made of $36,195 for depreciation in market value of bonds, debentures and stocks and after crediting an adjustment of $4,670 for 1931 income tax, surplus carried forward is shown at $51,195 as compared with $67,118 brought forward from 1931. Guaranteed funds for investment are down to $1,931,917 from $2,193,721 while trust and agency funds for investment are down to $738,403 from $781,114 and estates under administration are down to $14,156,891 from $14,315,894.

Trust and agency assets are almost entirely in real estate mortgages and agreements. Guaranteed trust funds are represented by mortgages of $1,925,670 on real estate and $6,217 cash. In capital account mortgages and agreements, including interest are up to $978,467 from $811,074. Real estate acquired by foreclosure is up to $560,492 from $431,631. Bonds and debentures are down to $347,981 from $433,102.

Total investment in mortgages is $2,840,000 of which $1,160,000 is in city loans and $1,680,000 in farm loans. Loans are distributed in Manitoba, Saskatchewan and Alberta the greater proportion of loans in the latter two provinces being on farms. The company has a total of 18 city properties and 210 farm properties acquired by foreclosure on which rentals are not quite sufficient to cover carrying charges. Bank overdraft is up to $71,944 from $43,693 since directors prefer not to sell securities at this time.

With a capital of 30,000 shares of $50 par value the company has a general investment reserve of $300,000 as in 1931. In addition a reserve of $82,451 against real estate acquired by foreclosure and a reserve of $70,614 against mortgages and agreements have been set up. Earnings record of the company has been as follows:

**Record of Earnings**

| Year | Paid-up Capital $ | Net Profits* $ | Div. Rate $ | Rate Earned per sh.† $ |
|---|---|---|---|---|
| 1928 .... | 1,500,000 | 120,630 | 2.00 | 4.02 |
| 1929 .... | 1,500,000 | 120,192 | 2.50 | 3.44 |
| 1930 .... | 1,500,000 | 79,386 | 2.50 | 2.31 |
| 1931 .... | 1,500,000 | 55,752 | 1.50 | 1.19 |
| 1932 .... | 1,500,000 | 35,333 | 0.50 | .... |

*After all management expenses, directors' and auditors' fees, salaries, taxes, etc., but before provision against depreciation in market value of bonds, debentures and stocks.

†After provision against depreciation in market value of bonds, debentures and stocks.

# Nicholson File Co. Sell Files in Britain

It might seem like "carrying coals to Newcastle" to send steel files from Canada to Great Britain but the Nicholson File Co., of Port Hope, only manufacturer of files in Canada is doing this and doing it in increasing volume.

E. M. Thurber, manager of the company, stated recently that the company's export trade now constitutes a substantial part of total business. The company is competing successfully in England and other parts of the Empire with tools of English manufacture despite the world standard set by Sheffield steel tools, Mr. Thurber said.

# Revised Index Helps Regain Part of Loss

Final compilation of The Financial Post index of business for January resulted in a slight increase from the preliminary figure appearing last week. The final figure is 73.6 compared with 73.1 in the preliminary form but the increase is not sufficient to avoid a decline from December, the figure for which was 74.1.

Examination of the 47 factors used in compilation of the index shows that business operations generally were on a slightly smaller scale than during the previous month. New factors not included in last week's preliminary compilation show that lower employment and electric power production, the latter being 1,396,658,000 kw.h. compared with 1,433,159,000 kw.h. in the previous month, were offset to some extent by an improved financial position.

The index of bank debits after adjustment for seasonal tendencies and price changes was 99.2 compared with 86.2, representing a considerable increase. The index of industrial employment after adjustment was 81.1 at Feb. 1 compared with 84.1 at the beginning of the year.

# GUELPH TRUST CO. MAINTAINS PROFIT

## Earned 10.46 p.c. on Paid-up Capital—Reserves Are Increased

Earnings of Guelph Trust Co. showed a small increase in 1932 and after provision for government taxes the company had net profit of $31,496, equal to 10.46 per cent on paid up capital of $301,000. In 1931 the company earned 10.05 per cent. Dividends of $2.50 per share were continued on the $50 par value stock. Reserve fund and contingent fund were each increased by $10,000 and surplus carried forward is $27,246.

With total assets of $2,283,069, $1,278,708 is held in estates, trusts and agency account, $514,739 in guaranteed trust account and $489,622 in capital account. Each account shows a slight increase over 1931 figures. In guaranteed trust account mortgages and interest total $506,429. In capital account, mortgages total $466,189 and no real estate is held. Remainder of capital assets is in government and municipal bonds and cash except for $3,093 due by guaranteed trust account.

Reserve fund is now $140,850 and contingent fund remains at $10,000. The earnings record of the company since 1928 is as follows:

**Earnings Record**

| Year | Paid-up Capital $ | Net Profits* $ | Div. Rate $ | Rate Earned $ |
|---|---|---|---|---|
| 1928 ..... | 299,000 | 29,933 | 2.50 | 5.00 |
| 1929 ..... | 299,000 | 31,375 | 2.50 | 5.24 |
| 1930 ..... | 301,000 | 31,924 | 2.50 | 5.30 |
| 1931 ..... | 301,000 | 30,264 | 2.50 | 5.02 |
| 1932 ..... | 301,000 | 31,496 | 2.50 | 5.23 |

*Less taxes.

# GUELPH & ONT. INV. PROFIT IS BETTER

## Earned 10.39 p.c. on Paid-up Capital—Improves Cash Position

While earnings of Guelph & Ontario Investment & Savings Society showed a slight decline in 1932 at $110,963, government taxes were also lower and net profit of $100,389 is fractionally higher than in 1931. In 1932 the society earned 10.39 per cent on paid up capital of $965,080 compared with 10.38 per cent in 1931. Dividends of $3.75 per share were paid on the $50 par value stock. Contingent fund was increased by $25,000 and $22,385 was carried forward in surplus account.

Liabilities to the public at $3,385,829 show slight decrease distributed among currency debentures shown at $2,414,139; sterling debentures at $67,129 and deposits of $900,561. Reserve fund on capital stock remains at $869,435 and contingent fund at $25,000.

Chief changes in assets are reduction in mortgages held to $4,007,104 from $4,211,028 and increase in cash to $179,611 from $76,295. Real estate held for sale is up to $139,605 from $85,557. Loans on bonds and stocks are slightly lower at $35,150 and holdings of bonds are up to $645,587 from $625,466 entirely due to gain in government bond holdings shown at $320,275. Office premises remain at $30,000.

**Earnings Record**

| Year | Paid-up Capital $ | Net Profits* $ | Div. Rate $ | Rate Earned $ |
|---|---|---|---|---|
| 1928 ..... | 965,080 | 108,815 | 4 | 5.63 |
| 1929 ..... | 965,080 | 112,226 | 4 | 5.84 |
| 1930 ..... | 965,080 | 112,600 | 4 | 5.81 |
| 1931 ..... | 965,080 | 100,213 | 4 | 5.20 |
| 1932 ..... | 965,080 | 100,389 | 3.75 | 5.20 |

*Less taxes.

# STERLING TRUST PROFIT IS LOWER DEPOSITS GAIN

## Earned 4.18 p.c. on Capital; Contingent Reserve is Increased

Net earnings of Sterling Trusts Corp. are reported at $42,641 in 1932 as compared with $61,503 in 1931 and after deduction of taxes and depreciation, 4.18 per cent was earned on paid up capital of $789,944. Dividends of 4 per cent were paid in the year. Profit in 1931 was 6.44 per cent of paid up capital. Increase is shown in trust certificates outstanding and in deposits and liabilities in guaranteed trust account are up to $832,657 from $798,264. Estates, trusts and agency account is down to $9,639,852 from $9,864,180. Total assets amount to $11,$415,196.

Assets in guaranteed trust account include mortgages at $678,134, increase of $7,300, while government and municipal bonds are up $18,000 to $97,624. Other bonds at cost are shown at $15,047; loan on government bonds $25,000 and cash at $16,852.

**Provide for Contingencies**

In capital account, total assets of $942,687 include mortgages of $443,638, reduction from the $537,824 shown in 1931, while real estate held for sale at $56,033 shows increase of $6,100. Agreements receivable are shown at $99,297. Bonds, debentures and stocks at cost are carried at $36,773, increase of $10,000. Advances to estates, trusts and agencies are shown at $124,770 and to guaranteed trust account, $14,413. There remains outstanding 9,402 shares of $100 par value stock, while reserve fund has been reduced to $75,000 from $100,000 by transferring $25,000 to contingent reserve to make provision for possible loss on investments. Contingent reserve is now shown at $65,000.

The earnings record of the company since 1928 is as follows:

**Record of Earnings**

| Year | Paid-up Capital $ | Net Profits† $ | Div. Rate $ | Rate Earned* $ |
|---|---|---|---|---|
| 1928 ... | 709,459 | 66,687 | 7 | 10.13 |
| 1929 ... | 777,530 | 60,441 | 7 | 7.92 |
| 1930 ... | 786,220 | 53,930 | 6 | 6.90 |
| 1931 ... | 789,499 | 50,812 | 6 | 6.44 |
| 1932 ... | 789,944 | 32,981 | 4 | 4.18 |

*On average capital.
†Less taxes.
‡Less depreciation.

# Gypsum, Lime Proceeding With Factory in England

From Our Own Correspondent

MONTREAL.—Gypsum, Lime and Alabastine (Canada) Ltd. is proceeding to complete arrangements for the establishment of a branch factory in England. Tentative plans call for the erection of a plant near Rochester, some 30 miles from London.

For several years past Gypsum, Lime has been handling a big export trade to England. Plans for an English factory have been in mind for some time but have been held up until now.

At the same meeting which decided upon the English plant, the directors also announced that the semi-annual bond interest will be met on March 1.

# *New Appointments by Canada Permanent*

ROBERT HENDERSON CHAS. S. ROBERTSON WALTER F. WATKINS

The Canada Permanent Mortgage Corporation announces the appointment, as assistant general managers, of Robert Henderson, branch superintendent; Charles S. Robertson, manager of Ontario branch, and Walter F. Watkins, secretary.

All three have been for many years in the service of the corporation and in their wide and varied experience have become well and favorably known throughout the Dominion. They will continue for the present also to discharge the duties of their former offices.

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THE
STERLING TRUSTS
CORPORATION

Balance Sheet, December 31st, 1932

ASSETS

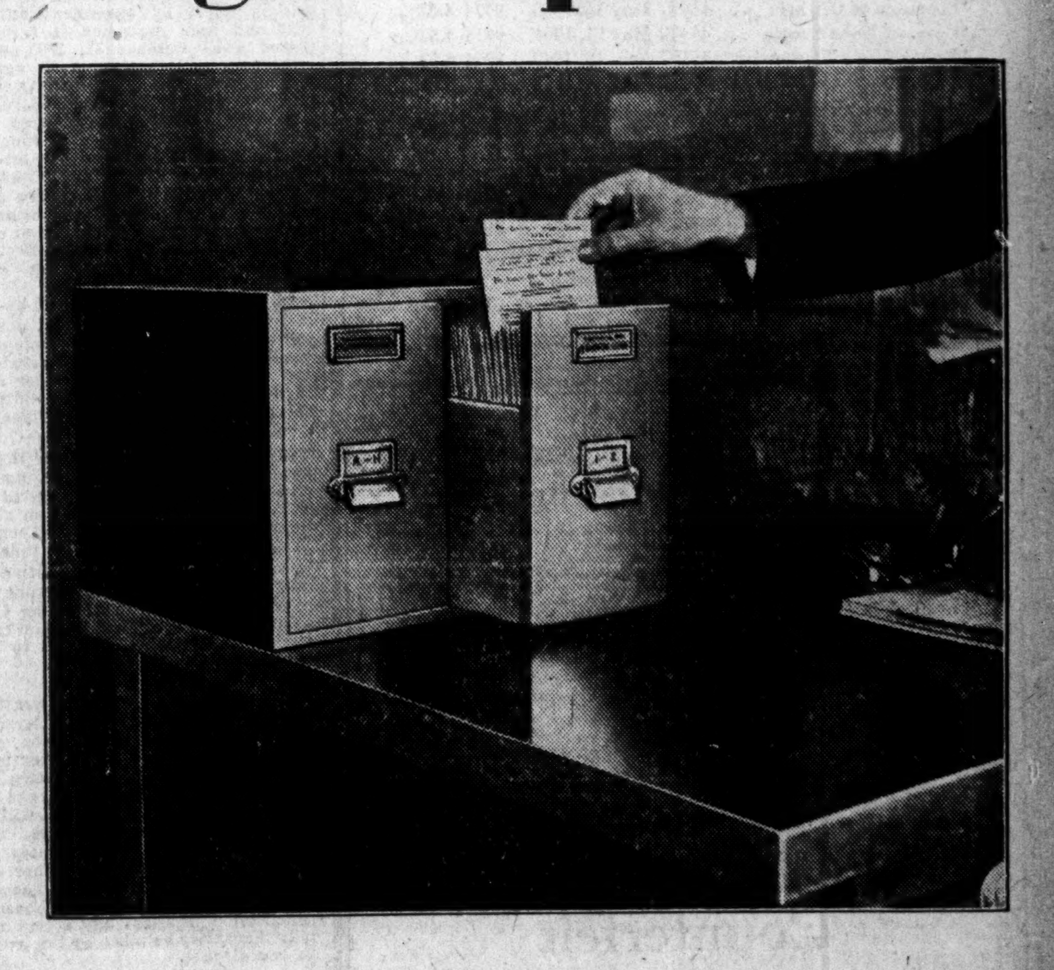
| | | |
|---|---|---|
| **CAPITAL ACCOUNT:** | | |
| Office Premises | $ 105,000.00 | |
| Real Estate held for sale | 56,033.50 | |
| Mortgages and Agreements | 542,935.01 | |
| Bonds, Debentures and Stocks | 36,772.90 | |
| Loans on Bonds and Stocks | 3,449.85 | |
| Loans to Estates and Trusts | 139,183.70 | |
| Accounts Receivable | 25,943.24 | |
| Deposit Vaults and Furniture | 21,501.31 | |
| Cash on Hand and in Banks | 11,867.83 | |
| | | $ 942,687.34 |
| **GUARANTEED ACCOUNT:** | | |
| Mortgages | $ 678,134.19 | |
| Government and Municipal Bonds | 97,624.11 | |
| Call Loans on Government Bonds | 25,000.00 | |
| Bonds and Debentures | 15,046.61 | |
| Cash on Hand and in Banks | 16,852.46 | |
| | | $ 832,657.37 |
| **ESTATES, TRUSTS AND AGENCIES:** | | |
| Investments and Assets held | $9,590,995.34 | |
| Cash on Hand and in Banks | 48,856.40 | |
| | | $ 9,639,851.74 |
| | | $11,415,196.45 |

LIABILITIES

| | | |
|---|---|---|
| **CAPITAL ACCOUNT:** | | |
| Capital Paid Up | $ 789,944.07 | |
| Reserve Fund | 75,000.00 | |
| Contingent Reserve | 65,000.00 | |
| Deferred Profits Reserve | 2,421.03 | |
| Accounts Payable | 5,227.72 | |
| Profit and Loss | 5,094.52 | |
| | | $ 942,687.34 |
| **GUARANTEED ACCOUNT:** | | |
| Guaranteed Trust Certificates | $ 620,072.90 | |
| Deposits | 198,171.14 | |
| Due to Capital Account | 14,413.33 | |
| | | $ 832,657.37 |
| Estates, Trusts and Agencies | | 9,639,851.74 |
| | | $11,415,196.45 |

W. H. WARDROPE, K.C., *President.*
CHAS. BAUCKHAM, *Managing Director.*

At Your Finger Tips...



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# *Utilities and Transportation*

## BELL TELEPHONE PLACES DIVIDEND ON LOWER BASIS

### Shareholders Authorize Issuance of New Bonds

**From Our Own Correspondent**

MONTREAL.—Reduction of dividends from 7 to 6 per cent annually on the capital stock and approval of a $30,000,000 bond issue, featured the annual meeting of shareholders of the Bell Telephone Co. of Canada.

Last year the company paid dividends of $7.25 a share, necessitating drawing upon surplus to the extent of $836,868. Having in mind that the loss in telephone stations has a continuing effect upon earnings, the directors decided that it was necessary to place the dividend on a lower basis in order to limit a further drawing upon surplus.

**Cover Capital Needs**

At the meeting C. F. Sise, president, pointed out that last year capital additions to plant totalled $12,658,000. The construction programme last year was largely one of replacements and the net additions to plant in 1932 amounted to only $466,863. For the current year gross additions to plant are estimated at $9,300,000, the greater part of this amount being for reconstruction and replacement of existing plant, rather than for extensions.

Plans for 1932 do not contemplate construction to an amount in excess of the funds which will be provided by depreciation and other reserves. Any financing that will be done in 1933 will be for the purpose of wiping out loans from the American Telephone and Telegraph Co. to an amount of $12,245,000.

**Approve New By-law**

To this end the shareholders approved by-law 21, which does not increase the authorized funded debt, but does give the company the right to issue $30,000,000 of bonds in three series, at such time, and at such rate of interest as the directors decide. The bonds, at the discretion of the directors, will be payable in Canada only, or in Canada and the United Kingdom or elsewhere as might seem most desirable

This by-law amends by-law 20, which created series C issue of $50,000,000 of 5 per cent bonds payable in Canada or the United States. The amount of series C bonds that can be reduced to $20,000,000, including the $7,500,000 already issued.

The $50,000,000 5 per cent bond issue approved in 1930 by the shareholders, authority for which has now been amended, can be and is issued by the company in the following manner: $30,000,000 in three series with interest rate, life of bond, and place payable, is at the discretion of the directors; $20,000,000 remains at 5 per cent, payable in Canada or United States. Of the latter series $7,500,000 has already been issued.

**Heads New Merger**

C. G. ABBEY

Who has been elected president and general manager of United Electrical Engineers, Ltd., a company formed by a merger of four Canadian subsidiaries of British electrical firms. Mr. Abbey was formerly president of one of the companies included in the merger, Lancashire Dynamo and Crypto Co., Montreal.

## GENERAL STEEL CAPITAL CHANGE STILL IN FUTURE

### Not Contemplated Until Working Capital Affected

**From Our Own Correspondent**

MONTREAL.—Capital reorganization of General Steel Wares has not come before the board, said John C. Newman, president, at the annual meeting of the company. Action of this nature, he continued, will not be contemplated unless the directors reach the conclusion that the working capital position of the company renders this step unavoidable.

In discussing operations of the company Mr. Newman pointed out that the major decrease in sales had taken place in Western Canada, in which division the company depends for one-third of its business. In order to offset the decline in business steps have been taken to reduce overhead costs. This has been rendered difficult by the heavy fixed charges and mounting taxes, the latter totalling $461,000 last year.

R. W. Steele was elected to the board of directors succeeding A. J. Clark, of Toronto, while the other members were re-elected. Some changes in the board are contemplated at a later date.

The current annual meeting was the first in which the preferred and common stock holders voted. Prior to this voting control was vested in three management shares.

**GOVERNMENT BONDS**

*for safety and income*

| | Rate | Maturity | Price | Yield |
|---|---|---|---|---|
| †Dominion of Canada .. | 4½% | Nov. 1, 1959 | 99 | 4.70% |
| *D. of C. Gtg. C.N.R. .. | 4½% | Sep. 1, 1951 | 99 | 4.58% |
| *Province of Ontario .. | 4½% | May 15, 1956 | 99½ | 4.53% |
| *Prov. of Nova Scotia .. | 4½% | May 15, 1961 | 99½ | 4.53% |
| *Prov. of New Brunswick | 4¾% | Apr. 15, 1940 | 99½ | 4.83% |
| Prov. British Columbia | 5½% | Feb. 1, 1945 | 95½ | 6.05% |

†With talons attached providing for additional interest at 1% per annum until November 1, 1934. *Payable in Canada and New York.

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## RAILWAY WAGE DISPUTE ENTERS DEADLOCK STAGE

### Union Men Opposed; Rail Leaders Propose I. D. A. Board

**From Our Own Correspondent**

MONTREAL.—Proposal of the railways of a 20 per cent reduction in basic wage rates, is opposed by the railway unions and negotiations have reached a deadlock.

The railway companies favored a continuation of the 10 per cent reduction in effect last year, together with a further 10 per cent cut. A vote was taken by the members of the Brotherhood of Locomotive Engineers, Brotherhood of Locomotive Firemen and Enginemen, Order of Railroad Conductors and Order of Railroad Telegraphers, the majority deciding against accepting the proposal of the Canadian Pacific and Canadian National.

**Dispute on Agreement**

Not only do the unions oppose the 20 per cent reduction, but in a letter to the railways say that they have received legal advice agreement entered into on February 4, 1932 and which expired on January 31, 1933, covering a reduction of 10 per cent in basic wages, to the effect that the basic rate is again effective. The railways have continued the 10 per cent reduction since February 1, last, contending that they were entitled to do so since on January 28 they served notice of an additional 10 per cent deduction which in their opinion gave them the right to continue the existing agreement. This the men dispute claiming that since no new agreement was reached before January 31, the full basic rates should have again become effective.

**Unions Outline Position**

In their letter to the railways saying that they are unable to accept the present proposal of a 20 per cent deduction in basic wage rates, the union committee says:

"Divisions and lodges of the engineers, firemen, conductors, trainmen and yardmen, and telegraphers are unanimous in expressing the view that they are unwilling to accede to a further wage reduction while being, as previously indicated to you, agreeable to an agreed extension of the 10 per cent payroll deduction which was in effect from December 1, 1931, up to and including January 31, 1933.

"The men take the position that they should not in equity be requested to accept or to consider a further wage reduction proposal for the following among other reasons:

"1. In years past Canadian railroad men in the various classes had always been regarded as on a wage parity with American railroad men in the same classes of service.

"2. In P.C. 1768 issued on July 16, 1918, the Cabinet of the Dominion agreed and decided that the wages of Canadian railroad men had been maintained on a parity with those for similar employment in the United States and that such relative comparison of wages should continue.

**Claim to Have Lost**

"3. In the years between 1921 and 1927 Canadian railroad men, as a result of their failure to press as promptly as possible for a maintenance of their standards with American wages, lost and have since continued to lose, in certain cases, a considerable percentage that should have been theirs had the maintenance of standards been insisted upon and continued.

"4. United States railroad men in the classes represented by this conference committee have somewhat recently entered into an agreement with practically all the Class I railroads in the United States for an extension of the 10 per cent wage deduction that was in effect by agreement during 1932 and such extension is for the period until October 31, 1933, with employers and employees in agreement that no further notification shall be given prior to June 15, 1933.

"5. This conference committee has verbally, and in our letter of January 28, expressed willingness to enter into an agreed understanding with you on behalf of the various classes represented by this conference committee for an extension of the 10 per cent wage reduction which was in effect up until January 31, 1933.

**Quote Federal Action**

"6. The Federal Government by-law in 1932, exacted a 10 per cent deduction from civil service employees, members of Parliament and senators, and it is said that such 10 per cent deduction is to be, by law, confirmed and continued for the present year.

"The conference committee of general chairmen are of the belief that it would be unfairly discriminatory against Canadian railroad men to require or to exact from them an additional 20 per cent wage reduction. They believe their past attitude in these matters and the condition of their employment do not warrant the railroad companies in requiring Canadian railroad men to make from their wages a larger contribution to the earnings of the railroads."

**Will Now Arbitrate**

The reply of the railways was that "they are unable to accept the representations offered against the proposal. It is evident the matter must go before a board of conciliation and investigation," they continue, and "an application for that purpose will be made by the companies at once."

Under the Industrial Disputes Act no action can be taken by either side until this board has made its decision public, and the finding of the board of conciliation legalizes any action that may thereafter be taken by the parties to the dispute.

## COAL OUTPUT DOWN NEARLY 5 PER CENT

Coal production in 1932 was 4.8 per cent less than in the previous year, the respective tonnages being 11,656,810 and 12,243,211. Lowered production of bituminous coal, chiefly in Nova Scotia, is responsible for the decreased production, lignite and sub-bituminous coal actually showing increased tonnages.

Comparative production in 1932 and 1931 is as follows:

**Coal Production**

| | 1932 tons | 1931 tons | % change 1931-32 |
|---|---|---|---|
| Bituminous .. | 7,705,290 | 8,857,195 | —13.0 |
| Sub-bituminous | 538,881 | 471,302 | +14.4 |
| Lignite ...... | 3,412,639 | 2,902,119 | +17.8 |
| | 11,656,810 | 12,243,211 | — 4.8 |

Imports in 1932 were 13.7 per cent below the 1931 total, bituminous coal again being responsible. Despite this decrease in total imports from Great Britain were greatly increased, bituminous coal from 122,298 tons to 362,068 tons and anthracite from 876,263 to 1,399,086 tons.

Comparative figures follow:

**Coal Imports**

| | 1932 tons | 1931 tons | % change 1931-32 |
|---|---|---|---|
| Anthracite .. | 3,138,157 | 3,178,141 | — 0.2 |
| Bituminous .. | 8,532,318 | 10,347,280 | —17.5 |
| Lignite ...... | 2,953 | 6,410 | —54.0 |
| | 11,673,428 | 13,531,831 | —13.7 |

## Electric Steam Boiler Keeps Power Production at Relatively High Point

### Close Relationship Between Power and Newsprint Production is Feature of Returns Over Past Decade — Operators Developing New Markets for Energy

**From Our Own Correspondent**

MONTREAL. — Newsprint production bears a close relationship to the volume of electric power output in Canada.

Though much has been said of the growing use of electrical appliances in the home and the larger power requirements of mining and other industries, Dominion Government records from 1920 to 1932 clearly show that over the greater part of this period the trend of electric power output could be closely judged by the trend of newsprint production.

**Rapid Expansion Noted**

The rapid expansion of the power and newsprint industries since 1920 has been an outstanding feature of economic life in this country. Over the last two decades well over $1,500,000,000 has been invested in these two industries which are so interdependent on each other. Newsprint production led the way until 1929 when power output took the lead.

In the last two years, following upon the decline in newsprint production and the continued increase in turbine installations, it has been said in these columns that the power industry was facing a surplus. This was regarded as an alarmist view, it being pointed out that the domestic and commercial load had been increasing very rapidly and that any slack created because of lower paper production would be absorbed. This is partially true, but official records reveal the fact that the power industry has over-reached itself and that a cessation of turbine installation is necessary in order to permit demand to catch up with enlarged productive facilities.

**Bear Close Relationship**

By plotting newsprint and power output on the same chart, the fact is brought home that between these two industries there exists the very closest relationship, more particularly in that period between 1920 and 1929 when expansion was the odrer of the day.

It might be pointed out that since 1929 the trend of newsprint and the trend of power production have not followed the same course, indicating that the latter is less dependent upon the former. Such would appear to be the case on the surface, but an examination of the factors going to make up the index reveals that the growing spread between the index on power and that on newsprint is not altogether due to the increased demand for energy from domestic, commercial or other industrial sources.

**Industry Big Factor**

The position occupied by industrial operations in the fortunes of the power industry is clearly set forth in a recent survey of the Dominion Water Power and Hydrometric Bureau. At the beginning of this year Canada had a total hydraulic installation of 7,045,260 h.p. Of this total 6,111,641 h.p. or 86.8 per cent was installed in central electric stations for general distribution for domestic, municipal, commercial and industrial use.

Power plants of pulp and paper mills account for 600,996 h.p. or 8.5 per cent of the total installation. In addition to this installation the pulp and paper companies have motor equipment for operation by hydro-electric purchased from the central electric stations aggregating more than 1,007,000 h.p.

**Mine's Share Larger**

The third class, other industries, accounts for 332,623 h.p. or 4.7 per cent of the total. Mineral industries have the largest installation, more than 110,000 h.p., and in addition purchase electricity from central electric stations to operate a motor installation of more than 600,000 h.p.

The electro-chemical industry also utilized large amounts of hydro-electricity, while hundreds of saw, grist and grinding mills, machine shops, municipal pumping plants, electric tramways, etc., are important users of power.

Canadian industry is classified for census purposes into nine basic groups and in each of these the motor equipment maintained for operation by electricity purchased from central stations considerably exceeds the total equipment maintained for the production of power, the percentages of such motor equipment varying from a maximum of 86 per cent to a minimum of 54 per cent of the total power equipment in the various groups.

**Electric Steam Boiler**

Over the last three years power producers have been active in developing new markets for their growing surplus of electric energy. One of the main outlets developed to date has been the electric steam boiler. Where steam is an important factor in operating costs, particularly in the newsprint industry, power companies have made arrangements for the installation of electric boilers. Secondary, in some instances, firm, power is used to generate steam, cost to the consumer being based on the cost of coal in relation to its B.t.u. value.

The introduction of this type of boiler has been the means of opening up a market which, for the time being at any rate, promises to absorb a large and increasing amount of power. Just how important the electric boiler is to the power producer is to be seen in the case of Shawinigan Water and Power Co. which installed electric boilers of about 120,000 kilowatt capacity in 1932. Gatineau power, Ontario Hydro, Duke Price and other companies have followed Shawinigan's example.

**Attract New Industries**

More and more attention is being paid to the industrial development of territories served by the power companies. Virtually every major producer has its own industrial department. Large sums of money have been spent in attracting industries and certain companies have been especially successful in this regard.

Pioneer in this work is the Southern Canada Power which has built up the Eastern Townships area of Quebec into one of the most highly industrialized areas in Canada. Ontario Hydro, Montreal Power, Shawinigan and other companies have been more active and results to date have been encouraging.

**Should Not Over-rate**

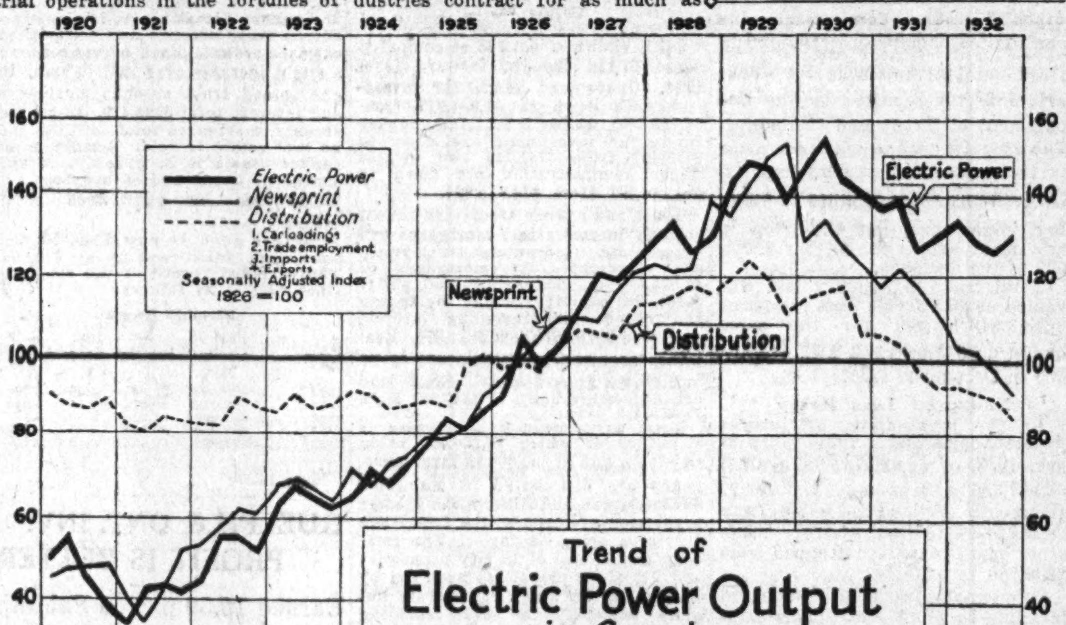
It might be pointed out here that in the past too much stress has been laid upon the importance of new industries as power consumers. As a matter of fact, few industries contract for as much as 500 h.p.; the average is considerably below that figure. Oviously a great number of industries would have to be secured in order to take care of a plant with an output rated at 50,000 h.p. and upward.

There is also a growing use of electrical appliances such as refrigerators, washing machines, irons, toasters, heaters, etc. The absorption point is far from being reached in this country and an increasing demand for electric energy is expected to develop from the sale of these appliances.

**Credit to Boilers**

The amount of power absorbed electric boilers in the last two years, however, accounts in a large measure for the present spread in the index of power and newsprint production. The increase in domestic load has also contributed but not to the same extent as the electric boiler.

It will be noted on the accompanying chart that a line has been included showing the distribution index number. This is included for the purpose of showing that the drop in the trend of power production has not been as pronounced as for distribution, indicating that power consumption is less subject to depression.



Trend of Electric Power Output in Canada 1920 - 1932

*Chart by The Financial Post*

### Asbestos Trade in 1932 Declines to Lower Level

**From Our Own Correspondent**

MONTREAL.—Complete returns of asbestos shipments for 1932 indicate operations on a much smaller scale than those prevailing in 1932. Exports of crude No. 1 amounted to 108 tons compared with 257 tons and 594 tons in 1930.

Crude No. 2 exports amounted to 1,063 tons in 1930; 401 tons in 1931; and 337 tons in 1932.

Demand for fibre was somewhat better, shipments in 1932 amounting to 33,708 tons as against 51,448 tons in 1931 and 66,830 tons in 1930.

Shorts in bags maintained relatively the same position as fibre, exports totalling 39,585 tons in 1932; 54,451 tons in 1931 and 72,115 tons in 1930.

The market for refuse in bulk has been rapidly disappearing, shipments in 1932 being 154 tons compared with 225 tons in 1931 and 4,212 tons in 1930.

### Montreal Power Seeks Pointe Claire System

**From Our Own Correspondent**

MONTREAL.—Montreal Light, Heat and Power Consold. has made an offer of $100,000 for the municipal light and power system of Pointe Claire, P.Q. In its offer to the town, the company has included the stipulation to give the town materials to the value of $17,000. Pending the settlement of the matter the company will continue to furnish electricity to the town at the same rates as at present in force.

Pointe Claire's electric system dates back to 1911 and was erected at a cost of $133,000, while between $8,000 and $9,000 was spent in 1925 for repairs. At present light is supplied to the town's customers at the rate of $5.40 net for each 100 kilowatt hours of energy consumed.

## MONTREAL TRAM BOARD LEANS ON PAST SURPLUSES

### Appropriates $737,070 to Cover Charges Last Year

**From Our Own Correspondent**

MONTREAL.—With passenger traffic at a lower point than in any year since 1922, Montreal Tramways Commission reports that for 1932 earnings were insufficient to cover charges applicable to operations and allowances to the Montreal Tramways Co. In order to make up a deficit of $237,070 and provide for the payment of $500,000 rental to the city, the commission found it necessary to appropriate $737,070 from surpluses.

Revenue passengers carried on the tramways and auto buses last year numbered 210,807,129. This compares with 232,141,103 passengers in 1931. In the break down of returns tramway passengers carried from 211,458,523 to 189,364,556 last year. Auto bus passengers carried increased from 20,682,580 to 21,442,573, the largest number carried since the bus service was inaugurated in 1925.

**Gross Revenue Lower**

Gross receipts from all sources totalled $13,250,049, of which the tramways contributed $11,444,310 and auto buses $1,488,834. The balance came from miscellaneous sources. In the previous year the commission had a gross income of $14,574,918.

Allowances made to Montreal Tramways Co., jointly controlled by Shawinigan Water and Power Co., and Montreal Light, Heat and Power Consold., show little variation from those reported in 1931.

Particulars of the income account for 1932 and 1931 follow:

| | 1932 $ | 1931 $ |
|---|---|---|
| Gross ................ | 13,250,049 | 14,574,918 |
| Less: | | |
| Expenses & taxes .. | 6,899,896 | 7,420,082 |
| Oper. profit ....... | 68,353 | 67,963 |
| Main. & renewal .. | 1,678,725 | 1,734,970 |
| Autobus .......... | 1,371,763 | 1,398,718 |
| Net earnings ........ | 3,231,312 | 3,953,185 |
| Allowances to Company: | | |
| Int. on capital .... | 2,177,178 | 2,177,178 |
| Int. on cap. add. .. | 993,878 | 968,700 |
| Int. on W. C. ...... | 2,959 | 3,862 |
| Int. on autobus .... | 112,936 | 114,096 |
| Financing exp. .... | 181,431 | 181,431 |
| Balance ............ | *237,070 | 507,918 |
| Approp. from: | | |
| M. & R. fund ...... | 503,245 | ...... |
| Autobus fund ..... | 139,433 | ...... |
| Cont. res. fund .... | 94,392 | ...... |
| Less: City rental .... | 500,000 | 500,000 |
| Surplus ............. | 0 | 7,918 |

The feature of the fiancial statement for 1932 was the manner in which surpluses had been drawn upon in order to make up deficits. The contingent reserve fund now stands $405,608; the maintenance and renewal fund has been reduced from $905,782 to $500,000; while the auto bus depreciation reserve has been lightened owing to experience having shown that the period of depreciation can be extended from 5 to 6 years.

According to the terms of the agreement entered into between the company and the city, the commission is required to create a contingent fund of $500,000, but ranking ahead of this charge is the city's rental of $500,000.

### City Gas and Electric Elects Executive Members

**From Our Own Correspondent**

MONTREAL.—City Gas and Electric Corp. announce the appointment of J. S. Bock as vice-president and the election of Israel Dupré to the board of directors. Mr. Bock is president and general manager of the Eagle Lumber Co. and was recently elected president of the Lumbermens' Association of Canada.

**March 4th—**

Financial markets have focused attention for some time, on what may be expected from the new administration which takes office in the United States on March 4th.

Our March Review comments on this and other topics of current financial interest. A wide range of Canadian government and high-grade municipal securities are offered at current attractive prices in the accompanying Bond List.

*March Review and Bond List gladly furnished upon request.*

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Toronto Montreal Winnipeg
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### S.S. Ungava Chartered For Spring Sealing Trip

S. S. Ungava, largest of the Newfoundland sealing fleet, has been chartered from her owners, Job Bros. & Co. to undertake a sealing trip this spring. This information follows on words from Job Bros. that they would not send their vessels to the ice this year.

It is understood that the financial interests which have chartered the Ungava are now negotiating for the charter of another vessel.

More than 200 men will be signed as sealers and the ship will also carry additional men as engine room staff.

### Railway Earnings

**Canadian National Railways**

| January: | 1933 $ | 1932 $ | Decrease $ |
|---|---|---|---|
| Gross rev. .. | 8,455,899 | 10,948,329 | 3,492,430 |
| Oper. exp. .. | 9,876,747 | 11,536,451 | 1,659,704 |
| Net rev. .. | *1,420,848 | *588,122 | 832,726 |

### Nearly $8,000,000 Invested in Hardwood Floor. Industry

During 1931, a number of firms in Canada, specializing in the manufacture of hardwood flooring, made application to the Dominion Bureau of Statistics for treatment under the Census of Industry as a separate industrial group. Up until this time these manufacturers had been classed, for the most part, with the sash, door, planing mill and sawmill groups. Owing to the increased interest in late years in Canadian-made flooring it was felt that this group was entitled to recognition as a separate industry.

There are in all 26 establishments of which 12 were located in Ontario, eight in Quebec, two in British Columbia and New Brunswick each and the other two in Nova Scotia and Saskatchewan. Capital invested amounted to $7,946,536, employment was furnished to 1,503 people to whom $1,287,510 was distributed in wages and salaries.

The industry used raw material valued at $2,497,393, the principal item being 46,818 ft. b.m. of rough hardwood lumber and logs. The gross value of products was $4,589,716.

**The Victoria Trust and Savings Company**

**THIRTY-SEVENTH ANNUAL MEETING**

The Directors of the Company have pleasure in submitting herewith the Thirty-Seventh Annual Report for the year ending December 31st, 1932, duly audited.

The net earnings for the year after deducting interest paid, cost of management, etc., amounted to $112,077.15. Adding to this the balance in Profit and Loss Account gives a total for distribution of $122,493.51. Out of this amount $81,000.00 has been paid in Dividends, $25,000.00 has been transferred to Investment Reserve, $12,000.00 reserved for Federal Taxes, $726.71 has been written off Office Premises and the balance of $3,766.80 carried forward.

You will be gratified to note that the Total Assets of the Company including Estates under administration increased during 1932 by the substantial amount of $235,000.00. Collections during the year as you would naturally expect have been increasingly slow and yet I am happy to state they are over ninety-four per cent of those of the previous year. However, in view of the unprecedented drop in the value of all classes of property, I am sure you must feel highly gratified that the relatively fine record last year combined with the splendid achievements in the past in building up a Reserve equal to Capital has given to your holdings in the Company an exceptional stability. The weak spot in the business world is the unparalleled low prices to which primary products and especially farm products have fallen, and what was two years ago a farmer's problem is now everybody's problem—a World problem—but its very universality provides our best hope that a solution is very near.

Our Investment Reserve established a year ago now amounts to $85,000.00 affording our Shareholders a second line of defence against the very unusual conditions at present prevailing.

Our Cannington Branch continues to show satisfactory progress in spite of adverse business conditions.

The very splendid increase of business committed to our Estates Department more and more justifies the conviction of your Directors that the public should rapidly recognize the many advantages of appointing a responsible Company to administer and distribute the Estates which they had so laboriously accumulated.

With most sincere regret I have to record the great loss our Company has sustained in the death of our First Vice-President, Mr. R. J. McLaughlin, K.C., and Dr. J. A. White. Mr. McLaughlin was the founder of the Company, its First Vice-President and its most devoted friend and supporter. The vacancy on the Board caused by his death has been filled by the appointment of his son, H. J. McLaughlin. Dr. White, although a Director for only a few years, always took a deep interest in its affairs and will be greatly missed.

All of which is respectfully submitted.

W. FLAVELLE, President.

*Unbroken Record of Growth*

| | ASSETS | RESERVE | PROFITS |
|---|---|---|---|
| 1910 ......... | 706,014.00 | 58,000.00 | 17,693.00 |
| 1915 ......... | 1,444,019.00 | 160,000.00 | 46,700.00 |
| 1920 ......... | 3,292,843.00 | 362,000.00 | 77,582.00 |
| 1925 ......... | 5,218,820.00 | 565,000.00 | 118,015.00 |
| 1931 ......... | 8,383,861.00 | 860,000.00 | 130,284.00 |
| 1932 ......... | 8,619,039.00 | 885,000.00 | 112,077.00 |

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T. H. Stinson, K.C., M.P., *Second Vice-President*
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THE bankers' viewpoint on the question of a Central Bank is clearly set forth in "Does Canada Need a Central Bank?" a booklet reprinting a recent series of articles by "A Canadian Banker." The articles also cover fully the subjects of inflation, currency depreciation, etc., which are so definitely before the public at the present time.

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# News of Investment Markets

## PROVINCES IN WESTERN CANADA REDUCE DEFICITS

### Aggregate Deficit in Current Year Down to $9,000,000

The four western provinces will complete their current fiscal years within the next few weeks and will show a substantial improvement in their budget position in marked contrast with the fiscal year ended in 1932 when deficits in British Columbia, Alberta and Saskatchewan reached a peak. The constructive policies undertaken by the western provinces in the last year would appear to have had a real measure of success in achieving a narrower spread between current expenditures and current revenue. Reference to this improvement is made in the current monthly letters of both A. E. Ames & Co. and Dominion Securities Corp.

The aggregate deficit of the four western provinces in the current fiscal year is estimated at about $9,000,000 by A. E. Ames & Co. and this figure compares with an aggregate deficit of $20,482,037 in the fiscal year 1931-1932. Greatest improvement in attaining a balanced budget has been made by Saskatchewan which will have a deficit of some $1,000,000 in the current year as against a deficit of $5,820,290 in the year ended April 30, 1932. British Columbia is expected to have a deficit of $3,500,000 after providing for sinking fund payments of over $2,000,000. This compares with a deficit of $7,051,561 in the year ended March 31, 1932.

**Manitoba Deficit Unchanged**

Alberta figures are not available but for the nine months ended Dec. 31, 1932, the province had a deficit of $1,395,483 and is expected to end the year with a deficit considerably smaller than the $5,153,051 in the year ended March 31, 1932. Manitoba will have a deficit estimated at $2,500,000 as compared with the deficit of $2,457,135 in the year ended April 30, 1932. In 1932, however, the Manitoba deficit was made up by withdrawal from the Deferred Subsidy Account which was also used to cover the deficit for 1930-1931.

The current revenues and expenditures of the four western provinces as presented in the monthly bulletin of A. E. Ames & Co. are as follows:

**BRITISH COLUMBIA**

| Fiscal yr. ended Mar 31 | Revenue $ | Expenditure $ | Surplus + or deficit — $ |
|---|---|---|---|
| 1930 .. | 25,501,741 | 26,219,156 | —717,415 |
| 1931 .. | 23,993,232 | *29,099,964 | —5,106,732 |
| 1932 .. | 22,162,657 | *29,214,218 | —7,051,561 |
| 1933 .... | Deficit estimated at | | —3,500,000 |

* Includes $991,889 in 1930-1 and $1,806,161 in 1931-2 charged to current expenditures for unemployment relief.

**ALBERTA †**

| Fiscal yr. ended Mar 31 | Revenue $ | Current Expenditure $ | Surplus + or deficit — $ |
|---|---|---|---|
| 1930 .. | 15,829,865 | 15,402,884 | —†426,981 |
| 1931 .. | 15,710,962 | 18,017,543 | —2,306,581 |
| 1932 .. | 13,492,430 | 18,645,481 | —5,153,051 |
| Dec. 31, 1932, Nine mos.' deficit | | | —1,395,483 |

† Excluding Alberta Government telephones.

**SASKATCHEWAN**

| Fiscal yr. ended Apr. 30 | Cash Receipts $ | Cash Expenditure $ | Surplus + or deficit — $ |
|---|---|---|---|
| 1930 .. | 16,561,526 | 17,079,704 | —518,178 |
| 1931 .. | 14,346,009 | 18,202,676 | —3,856,667 |
| 1932 .. | 11,902,646 | 17,722,936 | —5,820,290 |
| 1933 .... | Deficit estimated at | | —1,000,000 |

**MANITOBA**

| Fiscal yr. ended Apr. 30 | Current revenue $ | Curr. expenditure $ | Surplus + or deficit — $ |
|---|---|---|---|
| 1930 .. | 13,992,504 | 13,802,933 | +189,571 |
| 1931 .. | 14,705,530 | 14,705,530 | ‡ |
| 1932 .. | 14,631,341 | 14,631,341 | ‡ |
| 1933 .... | Deficit estimated at | | —2,500,000 |

‡ $619,287 and $2,457,135 in 1930-1 and 1931-2 respectively were withdrawn from deferred subsidy account to balance the current accounts.

## London & Western Trusts Closes Western Offices

Branches of the London & Western Trusts Co. located in Calgary and Saskatoon were closed on March 1. The estate and agency business of the Calgary branch will be administered by the Calgary office of the Royal Trust Co. A year ago the Edmonton office of the company was closed and its business taken over by the Calgary branch.

Management of all western assets of the company is being centralized at the Winnipeg office.

## Bond Tenders

**British Columbia**

The following certificates have been issued by the municipal department of the Province of British Columbia upon the following dates: Dec. 2, 1932—District of Penticton: Irrigation Loan By-law, 1930, Amendment By-law," No. 455, $32,500, twenty years, 5 per cent. Feb. 10, 1933—Delta: "Stanley Street cement concrete sidewalk debenture By-law 1932," No. 170, $376, ten years, 5½ per cent. Feb. 10, 1933—Delta: "Westham Street cement concrete sidewalk debenture By-law 1932," No. 171, $531, ten years, 5½ per cent. Feb. 10, 1933—Chilliwack: By-laws Nos. 581 to 588, local improvements, $6,500, ten years, 6 per cent. Feb. 13, 1933—Grand Forks: "Granby Dam Repairs By-law, 1932," No. 274, $10,000, 20 years, 6½ per cent. Feb. 18, 1933—District of North Cowichan: "Chemainus sewerage system debenture By-law, 1932," No. 202, $3,270, ten years, 5½ per cent.

## Regent Knitting Improves Position

From Our Own Correspondent

MONTREAL. — Improvement in earnings is expected to be reflected in the financial statement of Regent Knitting Mills for 1932. Net earnings for the year are understood to be around the $100,000 mark, compared with $19,958 in 1931, though a loss will be shown after bond interest and other charges, including reserve for bad debts. In 1931 the company showed a deficit of $131,606 after all charges and surplus at profit and loss was reduced to $288,845.

Regent Knitting is not faced with the necessity of paying off bonds which formerly matured 1932-1935. Bondholders approved a plan whereby maturity of the $391,800 of 6½ per cent first mortgages was postponed until 1942.

## SASKATCHEWAN ESTIMATES SHOW SMALL SURPLUS

### Deficit in Current Year Down to $1,000,000 From $5,820,289

Saskatchewan's budget for the fiscal year ended April 30, 1934, provides for a surplus of $4,000 according to figures tabled in the Legislature on February 22, by Hon. M. A. MacPherson, provincial treasurer. Actual deficit for the current fiscal year is estimated at $1,000,000 as against an actual deficit of $5,820,289 in the year ended April 30, 1931. Revenues and expenditures for the next fiscal year are further reduced. Anticipating lower revenues, the government is whittling expenditures, a continuation of the policy followed during the current year which has reduced the deficit of the province by over $4,500,000.

Estimated revenue is $18,980,720, reduction of $3,000,000 from the revenue of $21,958,979 originally estimated for the current fiscal year. Estimated expenditure is down to $18,976,715 from the 1932-33 estimate of $21,927,303. Chief reduction in expenditure is in revenue account although capital expenditure account shows the largest percentage decline. Comparison of estimated expenditures in 1933-34 with the estimate for 1932-33 is as follows:

**Estimated Expenditure**
**Fiscal Year Ended April 30**

| | 1934 $ | 1933 $ |
|---|---|---|
| Revenue acct. | 16,177,090 | 18,323,713 |
| Capital account | 218,780 | 795,000 |
| Telephone acct. | 2,350,000 | 2,600,000 |
| Agric. aids acct. | 69,000 | 74,000 |
| Superannuation acct. | 161,845 | 134,590 |
| Total | 18,976,715 | 21,927,303 |

Largest individual reduction in expenditure is that of $1,431,964 in the bureau of child protection which administers old age pensions. The Federal Government will in the future pay 75 per cent of old age pensions instead of 50 per cent as in the past. Expenditures on highways are reduced by $206,220; on education, $271,364; on treasury department, $155,365; on attorney-general's department, $91,082; on public works, $69,550 and on public health, $52,595. Practically every department feels the effect of economy measures.

Estimate of revenues provides for decline of $600,000 from motor licenses and $100,000 from gasoline tax. Expected revenue of $682,000 from the attorney general's department shows decline of $212,000 under the 1932-33 estimate due to $100,000 decrease in land titles fees, $50,000 from Succession Duties and $40,000 from fines. Revenues from the provincial secretary's department are estimated at $1,356,000 down $48,200. Provision is made for revenue of $130,000 from the Public Utilities Board which did not appear in the estimates of revenue for the current fiscal year.

## Canadian Pacific January Net Lower

From Our Own Correspondent

MONTREAL.—Downward trend of earnings recorded by the Canadian Pacific Railway for many months past continues unchecked into 1933, returns for January indicating a further recession from those reported a year ago.

Gross earnings from railway operations during the first month of this year totalled $7,675,660. This compares with $9,203,971 for the same month in 1932, a decrease of $1,528,310.

Further economies effected by the management are apparent in the cutting of operating expenses from $8,586,492 in January, 1932, to $7,352,288 for the same month this year.

Net earnings from railway operations during January last totalled $323,372, a drop of $294,106 from that reported in the corresponding month a year ago.

## Bond Redemptions

| Bond Issues— | Rate | Due | Redeem. | Price |
|---|---|---|---|---|
| Can. West. Nat. gas | 5% | 1936 | June 15 | 105 |
| Amer. Salesbook .. | †6% | 1939 | Apr. 1 | 103½ |
| No. Mex. Pwr. ... | *7% | 1933 | Apr. 1 | 105 |

†Called in part.

## BONDHOLDERS OF PRICE BROS. ASKED TO ACT

### Committee Stresses Serious Situation; Wants More Authority

From Our Own Correspondent

MONTREAL. — The protective committee for Price Bros. & Co. bondholders should not be expected to formulate a plan or act for the protection of the security until the committee is in a position to exercise the powers conferred on the bondholders by the trust deed, which provides that no action is binding upon the shareholders until 75 per cent of the bonds have been deposited.

This is the gist of a circular letter despatched to the bondholders by the committee. After pointing out that adverse conditions in the newsprint industry continue and that the company has not obtained sufficient funds to remedy existing defaults in interest payments, the circular says:

"For the ten months ended December 31, 1932, the company reports a loss of $57,910 after all expenses and reserves including approximately $108,000 on account of newsprint price adjustment against deliveries in Great Britain,) but before interest, depreciation and depletion. Interest on bonds (exclusive of premiums on United States funds), bank loans and miscellaneous items for this period as reported by the company for the ten months amounted to $818,435, leaving a net loss of $876,345 before depreciation and depletion. In an effort further to reduce the losses the mill at Riverbend has been shut down and production is now concentrated at the Kenogami mill.

"The Bondholders' Protective Committee has been constantly directing its efforts to securing the deposit of bonds. Within the last few days the committee has been much encouraged by the decision of several important institutions to deposit large blocks of bonds held by them. It is confidently expected that this action will be followed by the deposit of further substantial amounts of bonds by those holders who have hitherto not responded.

**Have Nearly 50 Per Cent**

"The bonds now on deposit, together with the bonds which the committee has been assured will be deposited forthwith, represent over 47 per cent of the total amount of the bonds now outstanding.

"The bondholders ought, however, to understand that the committee should not be expected to formulate a plan or to act for protection of the security until the committee is in a position to exercise the powers conferred on the bondholders by the trust deed. When, and as soon as satisfactory support of the bondholders is obtained by the deposit of bonds, the committee will take any action that appears necessary to protect the interests of the bondholders. The committee is, however, reluctant to act until a large majority of the bondholders indicate by depositing their bonds that they wish the committee to safeguard their interests.

**Need More Support**

"Bondholders who are withholding deposits pending development of a plan of adjustment or reorganization should give serious consideration to the facts that the company is losing money, that its condition is critical, and that the committee cannot effectively deal with the situation without more adequate support. Further delay owing to failure of the bondholders to act is likely to prejudice their position and lead to impairment of their security. The committee, therefore, strongly urges all bondholders—those who have small, as well as those who have large amounts of the bonds—to unite for representation by at once depositing their bonds."

## JAMAICA SERVICE SHARE EARNINGS $1.50 LAST YEAR

### Results Are Based on Par of Exchange for Sterling

From Our Own Correspondent

MONTREAL.—Earnings equal to $1.50 a share on the common stock compared with $1.81 a share in the previous year will be revealed in the financial statement of Jamaica Public Service for 1932. Dividends have been maintained at the rate of $1 a share on the 45,000 no par common shares outstanding.

Gross earnings for the year, according to preliminary figures, were down 4 per cent and net declined 3 per cent from 1931 results. Surplus after charges was $213,930, down 6 per cent. These returns, however, are based on the £ at par.

Since English currency is used in Jamaica, what might have proved a serious bar to Canadian dividend payments has been averted up till now by establishment of a substantial credit in New York prior to Great Britain's departure from the gold standard. Borrowings from Jamaica were made at par of exchange while the subsequent premium on New York funds has proved a further advantage to the company.

This borrowing in 1931 was reflected in the last balance sheet of Jamaica Public Service which revealed bank loans of $165,467 and an increase of approximately the same amount in cash, which totalled $273,799.

## C.P.R. Preferred Holders Await Action on Dividend

From Our Own Correspondent

MONTREAL.—No reaction has been forthcoming from the preferred shareholders of the Canadian Pacific Railway consequent upon the action of the directors in deferring dividends until the full returns for 1932 are available. Practically all of the holders of this stock reside in England and the lack of comment to date is attributed to the fact that the shareholders expect that the dividend will not be passed.

Present indications are that the full income account for 1932 will not show sufficient earnings to cover the full preferred dividend of $5,490,276. Net earnings from operations amounted to $20,089,985. All of this and more will be absorbed by fixed charges, so that income available for the preferred dividend will come from special income which in years past has contributed substantially to revenues.

Another factor of importance in considering the dividend on the preferred stock is that the dividend is payable in English funds which have been at a heavy discount throughout the year. While the company had heavy commitments to meet in American funds last year, payment in English funds was even greater, so that the company was able to effect a saving estimated in the neighborhood of $1,000,000.

At the beginning of 1932 the Canadian Pacific had outstanding $137,256,921 of 4 per cent non-cumulative preferred stock. During 1931 the company purchased a half interest in the motorship Aorangi and steamship Niagara, engaged in the Canadian-Australasian run, for which was paid £625,000 of preference shares at an agreed price of 80. It is not known whether or not additional stock was issued during the past year.

## MASSEY-HARRIS CO. REDUCED ITS DEBTS BY NET $987,323

### Contingency Provisions and Losses Make Deficit $12,687,277

Continued liquidation of Massey-Harris Company's inventory and bills and accounts receivable in 1932 enabled it to improve the cash position, to reduce bank loans by nearly $400,000 and to pay off the major part of bills and accounts payable, but the prostrate condition of farm commodity prices brought sales down 42 per cent from the level of 1931. Even though operating expenses were sharply down, the company had a deficit for the year of $3,827,512 to add to the previous deficit of $4,109,765, and if contingency provisions of $4,750,000 set aside in 1931 and 1932 be added the net accumulated deficit now stands at $12,687,277.

**Consolidated Income and Surplus Account**
**Years Ended Nov. 30**

| | 1932 $ | 1931 $ |
|---|---|---|
| Loss from operations | 1,788,009 | 1,523,149 |
| Less: Depreciation | 621,120 | 767,686 |
| Int. on borrowings | 465,070 | 565,567 |
| Bond interest | 505,397 | 539,199 |
| Pension fund | 98,983 | 146,032 |
| Bad & doubt. debts | 348,933 | 501,781 |
| Deficit for year | 3,827,512 | 4,043,414 |
| Add: Prev. surplus | †4,109,765 | 247,387 |
| Trans. from fire indemnity fund | ...... | 150,000 |
| Less: Adjustments | ...... | *463,739 |
| Balance at debit | 7,937,277 | 4,109,765 |
| Conting. pur., 1931 | 2,000,000 | |
| Conting. pur., 1932 | 2,750,000 | |
| Present deficit | 12,687,277 | |

†Deficit.
*Adjustments in respect to capital assets previously written off.

The following itemized working capital acocunt will show at a glance what has happened during the year to the affairs of the company:

**Working Capital**

| | 1932 $ | 1931 $ |
|---|---|---|
| **Current Assets:** | | |
| Cash | 3,224,944 | 1,658,582 |
| Bills & accts rec.* | 16,937,187 | 22,042,432 |
| Secs. at cost | 532,790 | 237,639 |
| Inventories† | 13,109,750 | 16,673,458 |
| | 33,804,621 | 40,612,111 |
| **Current Liabilities:** | | |
| Bank loans, etc. | 6,328,160 | 6,716,357 |
| Bills & accts. pay. | 625,801 | 1,556,286 |
| Accrued taxes | 181,645 | 200,974 |
| Commissions due‡ | 958,587 | ...... |
| | 8,044,193 | 8,473,617 |
| Working Capital | 25,760,428 | 32,138,494 |
| Ratio | 4.20—1 | 4.79—1 |

*After reserves; accrued interest not taken into account.
†Less contingency provision against realization.
‡Agents and dealers, including deferred items.

Auditors, Clarkson, Gordon Dilworth, Guilfoyle & Nash, state in their certificate, "Net current assets, including cash, in foreign countries, which have placed certain restrictions on the export of funds, aggregate approximately $4,500,000. Subject to the foregoing and the adequacy of the reserves against receivables, inventories and fixed assets, we report" that balance sheet correctly sets forth the condition of the companies' affairs.

Naturally in such a year the question of reserves against receivables, and inventories especially have received considerable attention. The difficulty of making collections has been made evident in annual meetings of every company having accounts owing by farmers.

In Australia the company has had to provide for special collection costs as well as for anticipated losses. Reserves were therefore increased during the year by $1,413,181 to $4,668,575, or 21.6 per cent of the total receivables outstanding. Credit has not been taken for accrued interest of $2,500,000 not yet collected and constitutes an additional reserve against accounts not collected. Reserve on inventories was increased by $303,793 to $4,339,029.

Capital assets have been reduced by $437,554 to $14,355,976. The total depreciation reserve now stands at $6,362,707, or 44.3 per cent of the asset value, an amount of $621,120 being added in 1932.

The 5 per cent debentures have been reduced by $500,000 to $8,700,000 and the J. I. Case Plow Works bonds by $57,900 to $552,800.

The net total reduction in liabilities was $987,323.

## National City Unit in Canada Is Unaffected

From Our Own Correspondent

MONTREAL. — Resignation of Charles E. Mitchell from his connection with the National City Bank of New York and affiliations, following upon disclosures made at the investigation being conducted by the United States, have not been followed by any change in the Canadian investment banking house affiliate—The National City Co. Ltd. This subsidiary is controlled by the National City Co. of New York, which in turn is owned by the National City Bank.

The Canadian organization came into being around 1918. In 1923 it absorbed the United Financial Corp. At one time it had several branches in operation, but its activities at present are largely centred in the head office at Montreal. The company has been mainly interested in the marketing of securities originated by the parent concern.

Management of The National City Co. Ltd., is closely identified with the home office in New York. At the same time it has an advisory board of several prominent Canadians. The present advisory board includes Sir Charles Gordon, Sir John Aird, W. A. Black, Hon. A. J. Brown, K.C., F. E. Meredith, K.C., Colonel Herbert Molson, and Hon. J. M. Wilson, all of Montreal, and W. N. Tilley, K.C., and Wilmot L. Mathews, of Toronto.

## Dividends Paid In March Will Total $16,754,000

Dividends to be paid by Canadian corporations during March will total $16,753,992, according to The Financial Post compilation. This represents a decrease of 11.5 per cent from the $18,944,926 paid out in March, 1932. Payments in March, 1931, totalled $24,376,795. Changes in dividend rate, announced to date, are comparatively few, with only three companies passing dividends entirely.

Dividends have been passed on the common stocks of Montreal Cottons and National Sewer Pipe Co. while the dividend on the preferred stock of Canada Wire & Cable Co. has been deferred. The dividend of Capital Trust Co. has been reduced to an annual basis of 4 per cent as compared with the 5 per cent previously paid and the dividend paid by the Provincial Bank is reduced from $8 to $7 per annum.

Extra dividends have been declared by McIntyre Porcupine Mines Ltd.; Imperial Tobacco Co. on common stock, while International Proprietaries is paying an extra 5 cents on class A shares. Montreal Loan & Mortgage Co. is paying an extra dividend of 25 cents per share. Consolidated Mining & Smelting Co. is paying an extra dividend of 10 per cent in stock. Payments during March will be as follows:

**SUMMARY OF PAYMENTS**

| | |
|---|---|
| Dividends | $16,753,992 |
| Bond interest | 21,808,127 |
| Total | $38,562,119 |

**DIVIDEND PAYMENTS**

| Company: | Rate | Date | Amount |
|---|---|---|---|
| Bk. Can. Nationale | $2.50q | 1 | $175,000 |
| Bank of Montreal | $2.50q | 1 | 900,000 |
| Bank of Toronto | $2.50q | 1 | 150,000 |
| Belding Corticelli, pref. | 1¾q | 15 | 15,142 |
| Canada Malting | 37½c.q | 15 | 74,614 |
| Canada Vinegars | 40c.q | 1 | 36,800 |
| Can. Bk. of Commerce | $2.50q | 1 | 750,000 |
| Can. Hydro-Elec. 1st pf. | 1½q | 1 | 187,500 |
| Capital Trust | 4q | 1 | 35,168 |
| Cons. Smelters | 10%* | 1 | 1,408,700 |
| Eastern Theatres, c. | 50c.q | 1 | 16,000 |
| Hamilton Un. Theat., pf. | 1¾q | 31 | 13,787 |
| Imperial Oil (No. 36) | 12½c.q | 1 | 3,343,790 |
| Imperial Tobacco | 8¾c.q | 31 | 826,965 |
| Do., final | 17½c. | 31 | 1,658,930 |
| Do., pref. | 3%s | 31 | 240,900 |
| Intern. Coal & Coke | 2% | † | 60,000 |
| Inter. Milling, pref. | 1¾q | 1 | 61,526 |
| Do., "A" pref. | 1¾q | 1 | 13,767 |
| Inter. Petrol. (No. 36) | 25c.q | 15 | 3,581,022 |
| Do., pref. | 25c.q | 15 | 50,000 |
| Inter. Proprietaries 'A' | 65c.q | 15 | 145,772 |
| Do., extra | 5c. | 15 | 11,218 |
| Lake Shore Mines | 50c.q | 15 | 1,000,000 |
| Laura Secord | 75c.q | 1 | 43,125 |
| Lindsay, C. W., pref. | 1¾q | 1 | 11,108 |
| Loblaw Grocet. A & B | 20c.q | 1 | 169,193 |
| McColl-Frontenac, c. | 15c.q | 15 | 75,000 |
| McIntyre Mines | 25c.q | 1 | 199,500 |
| Do., extra | 12½c.q | 1 | 99,750 |
| Montreal Cottons, pfd. | 1¾q | 15 | 52,500 |
| Montreal Loan & Mtge. | 75c.q | 15 | 18,000 |
| Do., bonus | 25c. | 15 | 6,000 |
| Nat. Sewer Pipe "A" | 60c.q | 15 | 16,983 |
| N. S. Light & Pr., pfd. | $1.50q | 1 | 18,750 |
| Ogilvie Flour, pfd. | 1¾q | 1 | 35,000 |
| Provincial Bank | $1.75q | 1 | 70,000 |
| Reliance Grain, pfd. | 1¾q | 15 | 32,500 |
| Rolland Paper, pref. | $1.50q | 1 | 22,500 |
| Royal Bank | $2.50q | 1 | 875,000 |
| Siscoe Gold Mines | 3c.q | 31 | 128,901 |
| Walker, Hiram, pref. | 25c.q | 15 | 128,586 |
| | | | $16,753,992 |

q—Quarterly.
s—Semi-annually.
*—Stock dividend.
†—Payable to shareholders of record Feb. 28.

**BOND INTEREST DUE IN MARCH**

| Company: | Rate | Date | Due | Amount |
|---|---|---|---|---|
| Ad. Beatty Hotel | 7 | 1 | 1944 | $21,000 |
| Adel. Shep. Bldg. | 7 | 15 | 1948 | 28,000 |
| Acadia Apts. | 6½ | 1 | 1939 | 27,625 |
| Bawlf Ter. Elev. | 6½ | 1 | Serial | 7,475 |
| Bell Tele. "A" | 5 | 1 | 1955 | 750,000 |
| Brand.-Hend. | 6 | 15 | 1939 | 25,110 |
| Brit. Amer. Oil | 5 | 1 | 1945 | 119,812 |
| B.C. Elec. deb. stk. | 4½ | 30 | Perp. | 287,355 |
| B.C. Power "A" | 5½ | 1 | 1960 | 275,000 |
| Do., "B" | 5 | 1 | 1960 | 100,000 |
| Can. Bakeries | 6½ | 1 | 1945 | 22,499 |
| Can. Nat. Rlys | 4½ | 15 | 1954 | 585,000 |
| Do. | 4½ | 1 | 1951 | 1,125,000 |
| Can. Nor. Ont. 1st mtge. | 3½ | 30 | 1936 | 137,547 |
| Do. | 3 | 30 | 1953 | 140,398 |
| Do., deb. stk. | 4 | 1 | 1934 | 341,206 |
| Can. Pac. Rly. | 4½ | 1 | 1946 | 450,000 |
| Do., convert. | 6 | 15 | 1942 | 375,000 |
| Can. R. & H. Term. | 6½ | 1 | 1951 | 113,750 |
| Dom. Textile | 6 | 1 | 1949 | 147,360 |
| Goodyear Cotton | 6 | 1 | 1949 | 40,545 |
| Gt. West. Sadd. | 6 | 1 | 1948 | 20,115 |
| Gt. West. Timber | 6½ | 1 | 1938 | 1,202 |
| Gypsum Lime "A" | 5½ | 1 | 1948 | 99,453 |
| Hermes Bldg. | 6½ | 1 | 1942 | 18,609 |
| Hillcrest Coll. | 5 | 1 | 1940 | 8,125 |
| Hotel Victoria | 6 | 1 | Serial | 7,800 |
| Inter. Waterways | 6 | 1 | 1937 | 2,775 |
| Inter. Power | 6½ | 1 | 1957 | 97,500 |
| Interlake Trans. | 6 | 1 | 1937 | 4,575 |
| Legare, P. T. | 6 | 1 | 1947 | 29,793 |
| Lindsay, C. W. | 6 | 1 | 1958 | 32,220 |
| Mersey Paper "A" | 6 | 1 | 1949 | 60,000 |
| Mexico Trams. 1st mtge. | 5 | 1 | 1963 | 257,450 |
| Mtl. L.H. & Pr. 'B' | 5 | 1 | 1970 | 124,625 |
| Northern Tele. | 6 | 1 | 1948 | 4,740 |
| N.B. Power | 5 | 1 | 1937 | 43,825 |
| N.S. Shipping | 6 | 1 | 1943 | 3,195 |
| Ontario Bldg. | 6½ | 1 | 1943 | 26,000 |
| Peel St. Rlts. | 6½ | 1 | Serial | 16,250 |
| Pwr. Corp. "B" | 4½ | 1 | 1959 | 213,187 |
| Prov. L. Heat. | 5 | 1 | 1946 | 9,475 |
| Ritchie Cut Stone | 6½ | 1 | 1948 | 2,925 |
| Silverwoods | 7 | 1 | 1937 | 5,886 |
| Toronto Carpet 'A' | 6 | 1 | 1944 | 23,175 |
| Trail Apts. | 6 | 1 | 1947 | 1,200 |
| Un. Amuse. "A" | 6 | 1 | 1952 | 40,704 |
| Viceroy Mfg. | 6½ | 1 | 1950 | 9,425 |
| West. Koot. Pr. 'A' | 5 | 1 | 1956 | 162,500 |
| Corporation bonds | | | | 6,445,911 |
| Municipal | | | | 2,833,054 |
| Provincial | | | | 4,418,990 |
| War Loan | 5 | 1 | 1937 | 2,254,172 |
| Victory Refund | 4½ | 1 | 1940 | 1,687,500 |
| Dominion | .. | .. | .... | 3,168,500 |
| Total | | | | $21,808,127 |

## PROVINCIAL PAPER EARNINGS IN 1932 DOWN 22 PER CENT

### Paid Preferred Dividends—Gave Abitibi $100,000 on Common Held

Provincial Paper earnings in 1932 were $614,678 as compared with $782,784 in 1931, down 22 per cent. Depreciation write-off was $100,000 as compared with $250,000 in 1931 and the company paid in January $100,000 on common stock held by Abitibi, which could be considered more applicable to earnings of 1931 than 1932. Therefore previous surplus of $752,570 was reduced during 1932 to $682,935.

**INCOME AND SURPLUS ACCOUNT**
**Years Ended Dec. 31**

| | 1932 $ | 1931 $ |
|---|---|---|
| Net earn. from oper. | 590,426 | 782,784 |
| Add: Other income | 24,252 | ...... |
| Total net earnings | 614,678 | 782,784 |
| Less: Depreciation | 100,000 | 250,000 |
| Bond interest | 213,097 | 207,645 |
| U. S. exchange | 26,216 | ...... |
| Net profits | 275,365 | 325,139 |
| Less appropriations: | | |
| Pref. dividend | 245,000 | 245,000 |
| Common dividend | 100,000 | ...... |
| Surplus for year | *69,635 | 80,139 |
| Add: Prev. surplus | 752,570 | 672,431 |
| Balance forward | 682,935 | 752,570 |

*Deficit.

Working capital as shown in the following table, was well maintained:

**Working Capital**

| | 1932 $ | 1931 $ |
|---|---|---|
| Current assets | 2,344,530 | 2,432,115 |
| Current liabs. | 272,098 | 348,695 |
| Working capital | 2,072,432 | 2,083,420 |
| Ratio | 8.61—1 | 6.97—1 |

Cash and Dominion government bonds together are shown at $885,989 as against cash of $492,171 in 1931. Bills receivable are reduced from $851,871 to $673,919 and inventories from $1,088,073 to $784,622. Payables also are reduced from $248,863 to $175,333.

Funded debt shows a reduction from $4,900,000 to $3,874,500. Of the first issue of $5,300,000, $525,000 have been redeemed and cancelled and $900,500 purchased and held by the company.

Fixed assets are shown at $9,116,672 and depreciation reserve at $1,600,000. General reserve went up from $1,484,286 to $1,511,301.

## INT. PROPRIETARIES DID WELL IN 1932 DESPITE BAD TIMES

### Harold F. Ritchie Crowned Business Career Before Death

In a very real sense, Harold F. Ritchie, president of International Proprietaries, who died on February 22 in the Toronto General Hospital, placed a crown on his active business career of 30 years by announcing shortly before his death that his company had been able to make considerable progress in most countries of the world despite the depression. There were difficulties because of fluctuating exchange rates, he said, and obstacles were thrown in the way of exporting funds from foreign countries, but nevertheless in this most difficult period of the century the company had been able to make a profit and business had stood up phenomenally well.

Mr. Ritchie, who not very long ago, went to visit his various companies in South America and travelled about that continent by airplane so as to accomplish as great a tour of inspection in as short a time as possible, reported increases in business in South Africa, United States and although losses in some other countries balanced the gains referred to, business and net profits for 1932 were reported by Mr. Ritchie to be about the same as for 1931.

**Maintains Dividends**

Only last week this splendid showing in a difficult time was further emphasized by the directors declaring, in addition to the regular quarterly dividend of 65c on the $2.60 cumulative class A stock, a participating dividend sufficient in sterling to pay 5c a share. It is payable March 15, to holders of record February 25. This dividend was declared on Mr. Mr. Ritchie's 52nd birthday.

Mr. Ritchie, who was born in Bobcaygeon, Ont., started in business in a small office in Toronto about 30 years ago. It is interesting to note, in view of the immense business which he has built up around Eno's Fruit Salt, that in 1906 the English principals in that concern refused to see him. They saw him in 1907 on a second visit to England when he secured the sales agency in Canada. Twenty-two years later he had made such a success with Eno's and he did so well with it personally that he was able to buy the Eno Company. He was able to buy out other important companies in much the same way after acting as sales agent for them for a time.

**Has Thirteen Plants**

Properties of International Proprietaries now consist of 13 manufacturing plants, eleven of which are respectively located in London, England; Toronto, Canada; Buffalo, New York; Berlin, Germany; Paris, France; Barcelona, Spain; Australia, Argentine, Brazil and Colombia. The Australian, Argentine, Brazilian and Colombian plants have started since the depression was well under way. Plants as well have just been started in Venezuela and South Africa.

International Proprietaries is a holding company. It acquired all the share capital of J. C. Eno Limited (Great Britain) in June, 1928, purchased more than 99 per cent of the common and preferred stocks of the Thermogene Co. Ltd. (of England) and its subsidiary, the Genotherm Corp. in the United States in October, 1928. A substantial interest in Minard's Linament Co. was acquired in 1929. Some of the well-known products which are sold over the globe by this company are Pompeian, Bovril, Thermogene, Virol, Scott's Emulsion.

In connection with these last interests Mr. Ritchie travelled about 125,000 miles every year in recent years.

Mr. Ritchie had surrounded himself with a number of able executives, all Canadians, and though new appointments have not been named, it is understood that old policies will be continued.

## Canada Trust Adds Two New Directors

Thomas W. McFarland and Major A. C. Spencer, have been elected directors of Canada Trust Co. Mr. McFarland was president and general manager of D. S. Perrin Co. at the time of the merger of that company with Canada Biscuit Co. and has also been a member of the Public Utilities Commission of London.

Mr. Spencer, is a director of the London Life Insurance Co. and is an engineer.

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Shifting Sands

Curiously enough certain Corporation Securities which were ranked as "second grade" when issued, have, during the past three years, proven to be infinitely stronger in market value and more stable in earning power than others which, at the time of issue, were considered to be the highest grade.

One result has been a decided shifting of the investor's opinion of values and a realization that sheer magnitude doesn't mean safety. Another result is the present need for searching inquiry into current values of one's investment holdings as well as the potential recovery possibilities of securities that have depreciated sharply in market price, coincident with the passing of interest or dividends. We have spent a great deal of time and money analysing the position and potentialities of Canadian Corporation Bonds and Stocks and are making recommendations based upon our findings to those who send us a list of their holdings. This is done, first, as a matter of building goodwill; second, in the expectation that as the value of our advice is demonstrated, it will result in business for us . . . as it has already done. Forward us a list of your investments and we will tell you what we recommend you to do about them without obligation.

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## HAMILTON COTTON EARNINGS LOWER ON SAME VOLUME

### Show $22,710 Profit on Bonds Redeemed — Cash is Reduced

Hamilton Cotton Co. had practically the same physical volume of business in 1932 as was experienced in 1931 and 1930, but continual fall in prices made profitable operation impossible despite substantial manufacturing economies. As a result net earnings are shown at $34,238 before provision for depreciation as compared with net of $54,797, after depreciation, in 1931. The company bought in $86,000 of its first mortgage bonds at a profit of $22,710 and therefore shows bond interest of $49,500 covered before depreciation.

The income and surplus account shows surplus carried forward reduced by $50,238, as follows:

**INCOME AND SURPLUS ACCOUNT**
**Years Ended Dec. 31**

| | 1932 $ | 1931 $ |
|---|---|---|
| Net earnings | 34,238 | †54,797 |
| Other profits | 22,710 | ...... |
| | 56,948 | †54,797 |
| Less: Bond interest | 49,500 | 51,494 |
| Depreciation | 56,043 | ...... |
| Net profit | ‡48,595 | 3,303 |
| Less appropriations: | | |
| Pref. dividends | ...... | 29,268 |
| Surplus for year* | ‡48,595 | ‡25,965 |
| Add: Prev. surplus | 293,056 | 320,114 |
| Less: Income tax | 1,643 | 1,093 |
| Balance forward | 242,818 | 293,056 |

*Subject to income tax.
†After depreciation.
‡Deficit.

While working capital is reduced the ratio of current assets to current liabilities is up to 13 to 1 from 11.5 to 1 shown in 1931. Cash is down to $27,540 from $135,881; accounts receivable to $135,603 from $169,733. Inventories show the only increase, up to $461,346 from $413,957. Securities are shown at $13,375. Current liabilities include accounts payable of $27,816; accrued wages of $9,830 and bond interest accrued of $12,444. Working capital position is as follows:

**Working Capital**

| | 1932 $ | 1931 $ |
|---|---|---|
| Current assets | 653,099 | 736,574 |
| Current liabilities | 50,089 | 63,811 |
| Working capital | 603,010 | 672,763 |
| Ratio | 13.03—1 | 11.54—1 |

Real estate, buildings, plant and equipment are carried at $1,651,374 after deducting reserve of $728,362 for depreciation. There is 844,000 of 5½ per cent first mortgage bonds outstanding, $854,910 of prefered stock and 20,000 shares of common stock.

## WINDSOR COURT TAXES IN ARREARS

### First Mortgage Bondholders Advised to Retain Management

Continued operation of Windsor Court Apartments Ltd. in the hands of the present management is recommended for the present by Chartered Trust & Executor Co., acting as trustee for the holders of the 6 per cent first mortgage bonds, of which there is $380,000 outstanding. Plans for reorganizing the company are under consideration and the trustee is maintaining contact with officers of the company. Interest due December 1, 1932, on the first mortgage bonds is in default.

In a letter to bondholders total revenue for 1932 is reported at $49,769, while operating expenses, insurance and corporation and property taxes totalled $35,211. Net operating profit was reduced to $3,837 after provision of $10,721 for depreciation. After paying bond interest due June 1, 1932, and providing for bond discount the company had a loss of $21,922, which does not include interest due December 1, 1932, which was not paid. Current liabilities of the company at December 31 amounted to $19,028, of which $13,005 were taxes owing to the city of Windsor.

Following an inspection of the property by the trustee it is reported that local management is competent and difficulties of the company are caused by adverse business conditions in Windsor. In the latter part of January there were 82 suites rented and 30 vacant. With economies that have been introduced and with a reduction of taxes in Windsor, net earnings in 1933 are not expected to fall under earnings in 1932. If earnings are maintained the company should be clear of current liabilities by June 1, 1934.

## GOVERNMENT WILL BUDGET FOR DEFICIT

(Continued from page 1)

try to pick up from $15,000,000 to $20,000,000 in this way.

**Tax Bearer Bond Interest**

Another very important tax change which is being very seriously considered, is the collection of income tax on the interest paid upon bearer bonds. Ottawa believes that about 7 out of 10 bonds—Federal, provincial, municipal and industrial—are bearer bonds. This means about $4,500,000,000 bearer bonds are held in this country. The belief is held, here, that only a small part of the interest payments on these bonds are reported to the income tax department.

The problem is how to bring these interest payments under the tax. It is believed that two plans have been put forward and have been considered by Mr. Rhodes. The first plan is to tax all these interest payments at a flat rate of 4 per cent. The banks would be compelled by statute to deduct the tax when cashing the interest coupons.

**Would Permit Evasion**

The weakness in this plan, it seems, is this: Income tax officials incline to the view that persons with large incomes, derived from liquid assets, might invest these assets in bearer bonds and escape with a 4 per cent tax. If they had to show the income in the regular way, much of it, of course, would fall into higher brackets.

The second plan, which stands an excellent chance of adoption this year, is to compel everyone cashing an interest coupon at a chartered bank to fill in a certificate. The certificate would be a statement of ownership of the bonds, and a declaration that the interest payments had been shown on the owner's income tax statement. These certificates would be forwarded by the banks to Ottawa and each one would be checked against the individual returns. Figuring these interest payments at $225,000,000 and the average rate of income tax at 6 per cent the government would stand to gain $13,500,000 of revenue in this way.

## SASKATOON BONDS PAYABLE IN CANADA

### City Has Followed Conservative Policy in Awarding Issues

While Saskatoon has followed the practice in recent years of calling for bids on an alternative basis of bonds being made payable in Canada only and Canada and the United States, in no instance has the city accepted a slightly higher bid on the basis of making the bonds payable in New York, according to Andrew Leslie, city commissioner. Mr. Leslie states that the city considers it better business to pay a slightly higher rate for money if it is possible to sell the bonds without the New York payment feature.

The Financial Post wishes to correct an error appearing in its columns in the issue of February 11 in which reference is made to a bond issue of $643,500 sold in October, 1930. This issue was sold on a basis of payable in Canada only and not on a basis of payment in Canada and the United States as stated in The Financial Post. In the report made by the city commissioner to the city council at the time the tenders for the issue were opened, he says:

"—the lowest cost to the city is for the bonds bearing 4½ per cent interest coupons payable in Canada and the United States. The difference, however, between this offer and the offer for the bonds bearing five per cent interest coupons and payable in Canada only, is so slight,—that it is considered five per cent bonds payable in Canada only should be issued. The slightly higher money cost, about $321 per annum by following this procedure is offset by the advantage gained through the small discount incurred and the fact of the bonds being payable in Canada only no uncertainty exists on account of the exchange situation as between Canada and the United States."

## Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

| Company | Year End | Net Income 1932 $ | Net Income 1931 $ | Common earnings 1932 $ | Common earnings 1931 $ | Curr. divid. $ | Balance car. fwd. 1932 $ | Balance car. fwd. 1931 $ | Mkt. | Mkt. times earn. | Yield % |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Massey-Harris** | Nov. 30 | *3,827,512 | *4,043,414 | ... | ... | ... | †7,937,277 | †4,109,765 | 2½ | ... | ... |
| **Hunts, Ltd.** | Dec. 31 | *4,278 | 54,654 | ... | 1.62 | 1 | 135,046 | 172,691 | 5 | ... | 20 |
| **Dominion Stores** | Dec. 31 | 361,620 | 522,631 | 1.28 | 1.85 | 1.20 | 1,113,623 | 1,201,049 | 13½ | 10.3 | 9 |
| Northern Trusts | Dec. 31 | 35,333 | 55,752 | ... | 1.19 | 50c. | 55,926 | 67,118 | ... | ... | ... |
| Sterling Trusts | Dec. 31 | 32,981 | 50,812 | 4.18 | 6.44 | 4 | 5,094 | 3,708 | ... | ... | ... |
| Can. Rail & Harbour Term. | Dec. 31 | *277,204 | *199,515 | ... | ... | ... | †1,442,142 | †1,164,938 | ... | ... | ... |
| Nat. Biscuit & Confection | Dec. 31 | *3,510 | ........ | ... | ... | ... | 15,355 | ........ | ... | ... | ... |
| Guelph & Ont. Investment | Dec. 31 | 100,389 | 100,213 | 5.20 | 5.20 | 3.50 | 22,385 | 19,377 | ... | ... | ... |
| Guelph Trust | Dec. 31 | 31,946 | 30,264 | 5.23 | 5.02 | 2.50 | 27,246 | 30,800 | ... | ... | ... |
| Hamilton Cotton | Dec. 31 | *48,595 | 3,303 | ... | ... | ... | 242,818 | 293,056 | ... | ... | ... |
| **Dominion Tar** | Dec. 31 | 8,608 | 358,944 | ... | 0.01 | ... | 912,717 | 994,000 | 1½ | ... | ... |
| Acme Glove Works | Dec. 31 | *99,909 | 38,726 | ... | ... | ... | †24,464 | †84,076 | ... | ... | ... |
| **Penmans, Ltd.** | Dec. 31 | 187,493 | 145,033 | 1.91 | 1.25 | 3 | 1,393,248 | 1,463,808 | 24 | 12.5 | 12.5 |
| **Provincial Paper** | Dec. 31 | 275,365 | 325,139 | 0.80 | 0.80 | ... | 682,935 | 752,570 | ... | ... | ... |
| **Standard Steel** | Dec. 31 | *19,181 | 41,558 | ... | 0.10 | ... | 250,666 | 301,082 | 1¼ | ... | ... |
| Can. Industries | Dec. 31 | 2,771,661 | 3,433,540 | 3.65 | 4.61 | 3.50 | 11,091,939 | 11,228,921 | ... | ... | ... |
| **Ottawa L. H. & Power** | Dec. 31 | 290,155 | 329,240 | 5.50 | 6.62 | 6 | 252,128 | 290,135 | 88 | 16 | 6.8 |

*Loss. †Deficit.

## Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

| Municipal | Date Sold | Sold to | Rate | Due | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| Peterborough County | Feb. | Citizens Bond Corp. | 5½% | 10-yr. | $35,000 | .... | .... |

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TORONTO, MARCH 4, 1933

## TARIFFS COMING DOWN THE WORLD OVER

THE good work done at Ottawa, in effecting a series of bi-lateral tariff treaties between countries of the British Empire, is already exerting a profound influence in world affairs.

The great significance of the Ottawa agreements was that they represented the first international action since the war to dynamite a small channel in the ice jam of world trade depression. Very definite trade stimulus has already resulted and, in proof of this, ample statistical evidence is available.

Other countries are envious of the present and potential results of this widespread tariff concord. Argentina, and the Scandinavian countries have sought to be linked as closely as possible with the Empire policy of reciprocal tariff lowering. Now the United States, leader in high protection, is beginning to cry "Me too."

It will not vitiate but rather strengthen the Imperial agreements for Canada to listen to the United States reciprocity proposals and adopt those that are in our interest, in the Empire interest and in the world interest.

Undoubtedly the United States will approach other British countries and then countries outside the Empire.

The Financial Post has felt that it was impractical to suppose that the nations of the world could be got together to agree to a tariff truce or a general reduction in tariffs all around. But the bilateral method of negotiations accomplishes average reductions effectively and quickly.

Tariffs are coming down the world over. One may be hopeful that the next ten years will undo much of the evil results of the tariff war of the last ten years.

Both in his Imperial Conference leadership and in his comment on the United States approaches, Canada's prime minister has shown himself agreeable to the lowering of tariffs by negotiation. Whatever criticism may be offered of Canada's tariff administration under Mr. Bennett—and it has been unnecessarily dictatorial and bureaucratic—he is to be commended for his willingness to meet other nations half way in bi-lateral negotiations.

## HIGH FINANCE

SOME time ago there appeared a most illuminating book called "Scapegoat," detailing the experiences of a bond salesman with a large American investment house affiliated with a leading bank. In it this salesman published copies of boiler room letters he received from his sales managers encouraging him to go out and push certain sugar bonds which were "steadily improving in position." Many of the salesmen did not like the "look" of the sugar bonds but they were plainly told that if they did not sell their quotas they could not stay on the staff. Later the bonds turned out to be practically worthless. Some people who read the book may have thought it an exaggerated picture of a certain type of high finance. But the evidence given by the head of a great New York bank before the United States Senate the other day could hardly be regarded as exaggerated.

This banker frankly admitted that back in the boom era the bank had a "slow" loan of $31,000,000 to a Cuban sugar plantation. The bank "bailed out" the loan by selling to the public $25,000,000 of stock of its security affiliate. The security affiliate used the money to buy the sugar company from the bank. It later wrote down the investment to $1.

Despite its experience with sugar the security affiliate sold other sugar bonds to the public.

Apparently, a type of security that was not good enough for a bank loan was good enough for a bond issue to be offered to the public with high promises and high pressure salesmanship.

The same bank group loaned money to its own officers to protect their margins in stock market speculation. By a slightly indirect process it sold its own stock short. It sold certain foreign government bonds against the advice of its own investigator.

Many such transactions are coming to light. They provide ammunition for social agitators. Honest men in finance suffer from the revelation of such brutal methods. And most men in finance are honest as are most men in any walk of life.

The banker in question now admits "we are human, we are filled with error." In his evidence, he said:

> "I only hope that we can learn something from all this and be able to reach that period when we can put into constructive effort lessons that we have learned during this period."

Possibly the first lesson he has learned is that, after all, honesty is the best policy. In any event, he has resigned under fire of criticism. As he drops out, there passes from the scene the most notable apostle of the defunct New Era—a great psychological movement which cloaked foul-odored high finance.

## PROVINCIAL PREMIERS AS DIRECTORS

PROGRESSIVE leader in the Ontario legislature, H. C. Nixon, has been criticizing the premier, Hon. George S. Henry, for sitting on the board of directors of the Toronto Mortgage Company. How could the premier give independent judgment on matters such as the mortgage moratorium when he was bound to be influenced by his connection with a private mortgage company? the critic wanted to know. There is nothing in our statutes to require a premier to resign his directorates. It is a matter of personal choice. As a matter of fact Premier Henry is on the directorate of the North American Life Assurance Company as well.

Premier Taschereau holds an imposing number of directorates, including the following:

Barclay's Bank, (British owned Canadian bank)
Royal Trust Co., (Bank of Montreal group)
Caisse d'Economie de Notre Dame. (Savings bank in Quebec city)
Sun Life Assurance Co., (Head office, Montreal)
Metropolitan Life Insurance Co., (Head office, New York)
North American Life Assurance Co., (Head office, Toronto)
Liverpool & London and Globe Insurance Co., (British)
Liverpool-Manitoba Assurance Co., (Affiliated with above)
Lucerne-in-Quebec Community Association, (Controlled by C. P. R.)
Title Guarantee & Trust Co., (Montreal)
Credit Foncier Franco-Canadien, (Controlled in France)

It will be noted that he shows no favoritism as between Canadian, British, American and French corporations, nor as between Toronto and Montreal.

None of the other seven premiers are directors of any public corporations. It is well known that Rt. Hon. R. B. Bennett resigned all of his directorates when he became prime minister of Canada, a great personal sacrifice for which all Canadians commended him.

Acting as director for a business corporation may give a premier a better opportunity to know what the world of business is thinking and doing but it also subjects him to the hazard of criticism or suspicion.

The premier who gives up such connections loses a valuable contact with business reality but he likewise strengthens his relations with the public.

## FOLLOWERSHIP

LAST year most world statesmen were unable to act in the way they privately believed to be best because if they had so acted mass opinion would have thrown them out of office and men "even more irreconcilable than they were themselves" would have risen to power.

This amazing statement is made in "The United States in World Affairs in 1932," by three American writers.

Is public opinion lagging behind our statesmen? The Financial Post believes that the reverse is the case. In every country of the world sound opinion has pursued a "hush hush" policy. But radical agitators have not done so. Thus a false impression has been given of what the people are really thinking.

We think the Regina Leader-Post comes closer to the real truth. After quoting The Post's review of the improvement achieved by Australia through drastic action by governmental leaders, the Leader-Post asks:

> "This comment leads one to ask as to why our 'strong men' in the governments in Canada—and we are supposed to have a lot of them—have not come to grips with the question? Why are we not in as good a position as Australia to fight the depression? Is it possible that our governments have run behind public opinion instead of ahead of it? Is it possible that they wait to be forced into doing something instead of giving leadership?"

The quality of "followership" is not one for statesmen. It will not solve Canada's serious governmental financial problems.

## A "MINOR" BLUNDER?

THE Evening Telegram, Toronto, speaks of the Radio Commission as one of Mr. Bennett's "minor blunders."

It is doubtful if any new spending scheme, introduced at a time when every million dollars cut off governmental expenses is a stride toward recovery, can properly be labelled a minor blunder. But admittedly this is a less costly enterprise than the wheat guarantees or the St. Lawrence waterway which Mr. Bennett introduced.

The Commission moves along slowly but surely to its goal of giving the country another unnecessary but expensive bureau of government. It has not spent much money yet but let not good citizens despair. The millions will flow out in good season.

Says the Telegram: "The mountain has labored and produced an anaemic mouse." But these anaemic bureaucracies have an amazing facility for growing up. In good season the commission will be one of our best spenders. The Telegram, which opposed the appointment of the commission from the start, may yet be able to call it a major blunder.

## BUDGET BALANCING AND THE INVESTOR

ONE finds in the London financial press offerings of a considerable number of corporation bonds and other securities. In several cases it has been noted that these issues have been quickly taken up by investors.

Even the strongest Canadian and United States corporations are afraid to try out the present bond market on this continent. Corporation financing has dwindled to a tiny total.

Britain has taken aggressive steps to balance its budget and this has quickened investment confidence.

When Canada has balanced its budget, when interest rates on government borrowings have in consequence been reduced, greater investment confidence will return in Canada and many of our corporations will be able to fund their huge bank loans and give greater mobility to credit in Canada.

The same observation applies with equal force to the United States.

## PRESENT C. N. R. BOARD INCLUDES GOOD MEN

IN THE hey-day of his power, Sir Henry Thornton largely ignored his directorate and there was little opportunity for a director of individuality and independence to exercise much influence in managing the affairs of the road. There was no violent disagreement between Sir Henry and his board because very few of the directors were men of either courage or experience and these few were in a small minority.

The new board, however, includes several men of undoubted ability whose business experience has been drawn upon by the minister of railways and canals and the acting president in effecting economies and promoting efficiency. They have given generously of their time and advice in helping the railroad to deflate from the balloon-like proportions to which Sir Henry pumped it.

In the selection of the new board of trustees the government should not overlook the present board. Excellent material for one or more of the trustees can be found on the present board.

## AERIAL ACTIVITY

AN INTERESTING commentary on the transportation problem is the fact that the leading commercial flying organization in Canada has been able to maintain its operations on a relatively satisfactory basis. Railways have reduced their mileage and shipping companies have curtailed their services but the peculiar nature of its work has enabled an aviation company, whose activities are Dominion-wide, to maintain its mileage and freight returns in 1932 on a basis not incomparable to the previous year. At a time when the question of transportation is uppermost in the public mind it is significant that flying should be able to hold its position.

The man in the street is apt to overlook the vital part which the aeroplane is playing in developing natural resources in Canada. Because the city dweller seldom sees an aeroplane today he forgets that daily services are being operated into inaccessible districts; because he tends to regard flying as either a luxury or a pastime he is liable to overlook the fact that aviation is a sheer necessity in certain parts of the Dominion. Supplies, machinery and men are being flown regularly in and out of territories whose virtually sole contact with civilization is dependent on air routes; an aeroplane has made a trip in one day which formerly took a dog team the best part of a winter season to complete.

Flying in such places, as yet, has no outside competition to fear; trucks, rails and ships offer no threat to air services in this field. The new child in the transportation family is growing sturdy.

## EDITORIAL NOTES

**Thirteen** states can bar the prohibition repeal in the United States in which 13 would be a lucky number for the bootleggers.

* * *

**Those** who urge huge construction programmes as the way to end the depression might consult the Rockefellers about their experience with Radio City.

* * *

**Winnipeg's** city fathers have turned thumbs down on an aldermanic proposal to establish a municipal bank. The recent example of the Manitoba provincial bank appears to have served its purpose.

* * *

**Charles E. Mitchell**, late chairman of the National City Bank, declares no one has lost more money in his bank's stock than he has. His statement may win him sympathy, but hardly commendation for his management of the bank.

* * *

**C. C. F. speakers** claim that a man cannot get rich honestly. This is a libel on one of the most prominent of British Socialists now visiting Canada, who is not only rich but has a title. He came by both honestly. He married the fortune and took the title to give the Socialists representation in the Lords.

* * *

**Consistent** in its campaign for public economy as the preventative of disaster has been the Sarnia Observer, which observes in a recent issue:

> "Governmental costs in Canada are suicidal for a nation of ten million population and the slashing should be done with an axe, not a pruning hook. Unless economy on an undreamed of scale is undertaken there is no assurance that Canada can avoid a disastrous crisis."

## POST-scripts

THERE is a smallish store in Montreal which does not advertise, which employs no high-pressure salesmen and whose products are not displayed in the windows. Customers are not urged to buy when they go into the store; its wares are not laid out in attractive show cases. Business is on a cash basis and no credit is given, yet last year this store averaged daily sales of $2,315 and total sales for the year were around $700,000. The little gold mine is the Peel street branch of the Quebec Liquor Commission, consistent leader in that body's chain. Strangely enough, its interior is probably better known to non-residents of Montreal than to citizens of the city in which it is located.

A MAN in Toronto lost a key ring and several keys about a year ago. He dropped them in the middle of the street but could not find them when he went back to hunt. He advertised without result.

The other day a man came to his door with a set of keys which he left. He gave no explanation as to where he had found them or why he brought them to this particular house. "These are Mr. Smith's keys," he said and walked off without further comment.

The man's wife telephoned him at the office to give him the good news. He was puzzled first to know why the keys had taken a year to find their way home and secondly to know how they had been traced to him when there was no identification on the ring. He talked about it to the other men in the office. He made it the subject of conversation at lunch. All his friends were amazed.

When he got home he found that the keys were not his. Now he is more puzzled than ever. He doesn't even know how to give them back.

## As Others See Us

### Contractors' Rackets

Midland Argus: The editor of The Financial Post in a speech at Winnipeg cited the "contractors' racket" as one of three things which account for the rising costs following the war. When we consider the lack of necessity for them and the millions which certain huge construction schemes cost, we often wonder if all that money really went into them.

### Must Reduce Taxes

Chatham News.—Three principles are set forth by The Financial Post to aid in the general recovery of Canada. They are (1) Balance the federal budget. (2) Balance all provincial budgets and (3) Reduce local taxation. This is a platform worth subscribing to; and while people generally may experience trouble in accomplishing the first two, they can bring their influence upon their own municipal representatives to effect the third namely reduction in local taxation.

## Other Peoples' Views

### Thrift vs. Profligacy

The Chronicle, New York — Work and thrift will accomplish more than may possibly be achieved by profligate distribution of private and public funds which may tend to undermine self-reliance and create a false and temporary prosperity, whereas the old-fashioned method has often been tried and never found wanting.

### Brains, Not Noise

Regina Leader-Post: The report that some Liberal and Conservative speakers made a great noise while members of the new Co-operative party were making speeches in the Canadian House of Commons is an intimation of something that reflects no credit on the members who engaged in the shouting and the interruptions.

The Leader-Post would suggest that the arguments of the Co-operative party should be answered with brains, not with noise.

### The World's Troubles Analyzed

New York Herald-Tribune: In most of these crises, both political and economic, since July, 1914, the nations of the world have believed themselves in the position of a load of people in a sinking boat provided with one fewer than the necessary number of life preservers. It is a brief which makes co-operative action extremely difficult. When there are enough life preservers to go around it is not hard to abandon ship in an orderly fashion; when somebody has to drown, on the other hand, it is difficult to prevent every one from grabbing desperately for the same life belts and hanging on to the death while adjuring the other fellows to be reasonable, to let go and to avoid swamping the lot in their blindness. This analogy explains why armaments have gone up while everyone realizes that the world would be better without them; why tariffs and trade restrictions mount in a world famishing for trade, and why it is so hard to get general agreement to work the gold standard in a world whose economists are almost universally in support of the gold standard.

### Britain Leads Way

Efficiency Magazine, London. — There are about 2,000,000,000 people in the world. Only 2¼ per cent live in Great Britain, yet we do 13 per cent of the world's international trade.

The United States has nearly 7 per cent of the world's population, but it does only 17½ per cent of the world's trade.

Europe, without Russia, has 19 per cent of the population and does 50 per cent of the world's trade.

Asia, Africa and Russia have 68 per cent of the population and do only 20 per cent of the world's trade.

Only one man out of every 45 lives in Great Britain, yet we are doing more than one-eighth of the world's trade.

Per capita, we are doing more than twice as much as the United States. And we are doing nearly 20 times as much as Asia, Africa and Russia combined.

These figures prove that Great Britain is still the Workshop of the World.

We start the New Year as the leaders in world trade.

Since 1883 we have doubled our foreign trade. And no doubt by 1983 we will double it again. These are cheering figures.

### Mixing Up Political Fields

The Journal, Edmonton.—A candidate for the reeveship of a township in Huron county, Ontario, made the placing of the Canadian dollar on parity with the pound sterling his platform. He was defeated but the result can hardly be taken as an indication of popular feeling on the question he pushed to the fore. It may, however, discourage the introduction into election contests of matters that have no place there. The duties of reeves and other municipal officers do not include the fixing of the country's monetary policy and most of them at the moment have on their hands about all that they can properly attend to in managing the affairs of their own communities.

The mixing up of fields of government has long been an evil in Canada. Municipal elections have been waged on federal political lines, and differences on dominion subjects have often had a dominant influence in provincial electoral decisions. Only harm can result from such practices and their absurdity is coming to be more widely recognized.

### Exchange Costs

Stratford Beacon-Herald: The Sault Ste. Marie Star says its city is in splendid shape when it comes to paying off indebtedness in United States funds. There is one payment of $60,000 due on the 15th of May, and in the ordinary way the exchange on that would raise the amount to $70,000 in Canadian dollars. Sault Ste. Marie, though, has the $60,000 in bonds which are payable in United States funds, therefore there will be no exchange. That is, indeed, a fortunate position, and the Star is moved to enquire: "What other community in Ontario has taken action which removes all danger of having to pay American exchange on its U. S. debts for the next few years?" That is a fair enough question, and the answer is this: There is a city named Stratford, in the County of Perth, where not one cent of exchange has yet been paid by reason of debenture payments having to be made in New York funds. The reason is that the debentures of this city have always been sold in the province or right in Stratford itself.

### Budget and Sound Money

Wall Street Journal, New York.—Before the Senate finance committee many men prominent in business and finance, while agreeing that no one thing will bring about economic recovery, all stress the importance of balancing the budget as a first step. But the puzzled citizen may ask what is there about the budget that makes its balancing of such importance.

The answer is that a balanced budget is a prime necessity if the government means to maintain sound money. But when does a country's money become unsound? Several days ago Bernard N. Baruch before this same committee answered that in these words: "A nation's money is unsound when it continually spends much more than it receives in revenue and makes up the difference by using its debts for money—no matter how adroitly." When this is the fiscal policy of a country its currency sooner or later comes under suspicion. When that happens the anomaly will be seen of unemployment, hunger and nakedness wide spread throughout a country whose vaults are bursting with money.

Under such conditions enterprise will not obligate itself for the future. No man will make a commitment if he is doubtful of his payment. Business rests upon confidence, and confidence must extend to the country's money; a continued failure to balance the national budget reflects upon a country's credit and shakes faith in its money. So, balancing the budget, not by increased taxes, but by pruning expenditures as far as can be done, is one of the first steps to be taken toward recovery.

## "Stop Me If You Have Heard This One"

"Help! Help!" cried an Italian laborer near the mud flats of the river.

"What's the matter?" came a voice from the construction shanty.

"Queek. Bring da shov. Bring da peek. My Giovanni's stuck in da mud."

"How far in?"

"Up to the knees."

"Oh let him walk out."

"Oh, no, he canna walk! He wronga end up."

## The World at Large

### An Occasional Department Discussing World Economic Affairs That Affect Canada

By F. S. C.

### MORE ADVICE FOR U. S. SENATE

THE committee of the United States Senate that is inquiring into economic conditions has gotten a great deal more advice. Some of the things financiers and economists told them were published last week. We brief some further comments:

Winthrop W. Aldrich, president and chairman of the governing board of the Chase National Bank, New York City, advocated that a way out of the depression be sought through measures envisaging a restoration of foreign trade on the basis of changed conditions produced by the war.

It took twelve columns of fine type in the newspapers to present Mr. Aldrich's statement but his recommendations can be boiled down to this:

"Prompt settlement of the inter-allied debts.

"Prompt reciprocal reduction of tariffs and moderation of other trade barriers.

"Continuance of a policy of emergency relief through the Reconstruction Finance Corporation.

"Emergency credit relief for farm and home owners needing such aid on account of mortgages."

He advised against currency inflation of all kinds and said that, as to silver, nothing should be done beyond the range of proposals by the economic experts who prepared the agenda of the coming economic conference.

He opposed inflation by government borrowing and artificial expansion of bank credit.

He urged drastic cutting of government costs, with taxes at variable rates on consumer goods, like tea, coffee and spices, which do not loom large in the average family budget. He favored the government's borrowing for emergency expenditures, provided its credit is not jeopardized.

* * *

ALEXANDER LEGGE, of Chicago, president of the International Harvester Company and former chairman of the Federal Farm Board, urged a balanced Federal budget.

He said:

"The banking system has not stood up in this situation.. He advocated the sales tax, and public control of agricultural production, with governmental leasing of submarginal land.

"There is no lack of money. Restore confidence and there will be no need for inflation, which should be avoided. With the present banking system, an attempt to operate in this country with a managed currency, as they are doing in England, would be disastrous."

Melvin Traylor, Chicago banker, termed bringing Federal costs within income "the most important thing to do."

Leonard P. Ayres, Cleveland bank economist suggested in a letter readjustment of private and war debts and encouragement of trade, and long-term bonds to finance relief expenditures.

"I think the government can aid most effectively by supporting credit and removing barriers to business," Mr. Ayres concluded.

* * *

SETTLEMENT of the American policy on foreign debts was termed the most important step in promoting economic recovery by Frank H. Simonds writer on foreign affairs.

While Mr. Simonds did not advocate cancellation or reduction of the debts, he told the committee that in his opinion there were only three ways of starting resumption of payments. These he listed as extending further loans to Europe, drastically reducing exports to those countries, or expanding our imports by about $1,500,000,000, all of them obviously impracticable courses at this time.

To cancel the debts, he went on, would be to transfer the burden to American taxpayers, "but if you collect them you will reduce American employment because you will substitute foreign for domestic goods in the home market."

Dictatorial powers for the incoming administration were urged by P. W. Litchfield, president of the Goodyear Tire and Rubber Company.

"I urge that adequate latitude be given at once to the executive arm of our government to take such measures as are needed to meet the crisis which now exists."

Mr. Litchfield also urged shorter hours for industry; "some form of temporary subsidy" to relieve agriculture; a sweeping cut in taxes, with the imposition of a general manufacturers' sales tax, and a scaling down of the war debts. He opposed currency inflation.

* * *

JAMES F. BELL, president of the General Mills, Inc., Minneapolis, urged modification of the anti-trust laws, a balanced budget, world "economic disarmament" to remove trade barriers and help for the farmer by leasing lands to get them out of production and refinancing farm debts at lower interest.

International debts should be treated in the same way as private debts, by the best possible settlement made over the table, Gen. W. W. Atterbury, president of the Pennsylvania Railroad, told the committee.

Tariffs, however, should play an important part in such a settlement, he added.

Mr. Atterbury advocated reduction of governmental expenses, national, state and municipal, and the balancing of budgets in the same way that corporations balance theirs.

* * *

GLENN FRANK, president of Wisconsin University, warned that a continuance of tariff strife would bring about another world war.

The idea that the United States could live an economic life isolated from the rest of the world was false, said Mr. Frank.

The country was seriously dependent on world markets and the only solution of our problem was to work for the reopening of these markets.

War debts were the first point of attack in such a programme.

It might not be true that reducing them or wiping them out would ultimately affect the economic well-being of the American taxpayer. Such a view was not popular, but it was the business of statesmanship to change rather than capitulate to public opinion.

As for tariffs, the only ones which should be considered were those which tended to build up the buying power of the world.

* * *

MATTHEW WOLL, vice-president of the American Federation of Labor, called for employment insurance, a five-day week and six-hour day, currency inflation by any one of several methods, heavy income, inheritance and excess profits taxes, and efforts to lift consumer buying power.

He said he would not recommend an attempt to balance the budget in view of emergency needs, and disagreed with statements of industrialists that high wages were partly the cause of business's plight.

He suggested raising price levels by management of credit and currency; wider use of silver; revaluation of the dollar, and permitting gold to have a variable price.

* * *

THE way out of the depression for the United States, Dr. Nicholas Murray Butler, president of Columbia University, said, lies in rigid governmental economy and international co-operation on tariffs and war debts, rather than in higher taxes, inflation and "reactionary nationalism."

Dr. Butler's evidence may be briefed as follows:

United States national policy; public budgets should be immediately balanced not by borrowing but by reduction in expenditures, including simplification of government.

There should be no inflation, no tampering with the monetary system.

United States international policy; arrange at once a war debts composition.

Support tariff reductions.

Urge and practise disarmament.

Co-operate with banks for International Settlements to stabilize world exchanges.

Join world court.

Abandon "Buy American" and nationalistic policies for "Sell American" and world policies.

Other problems; reform Congress.

Supervise corporate management.

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# The Week in Business

## U.S.A. Factors Loom Large

CANADA'S close connection with the United States has been vividly demonstrated during the past week in the outstanding amount of interest shown in first, the banking situation in Michigan which is spreading throughout the country, and second, the probability of a trade treaty being entered into between United States and this country.

The situation surrounding the banking fiasco is outlined elsewhere in this issue and need not be discussed here save to observe that under the influence of general uneasiness in the financial situation, commodities in the United States dropped to a new low.

Just what the terms of any agreement entered into with the United States would be is occupying the minds of business men, following seemingly authentic rumors that Roosevelt and Bennett will get together in the near future. Anything that can be done to break down some of the excessive barriers to trade between the two countries will undoubtedly help Canada's primary producers.

In the United States the position is critical. Nothing much gloomier than the following, culled from the front page of the Annalist, New York, could be imagined.

"The present week sees a general deterioration in the business and financial situation. Money in circulation (largely hoarding) increased last week by 123 millions, to a new high. Foreign earmarkings of gold continue. Commodities are down to a new low at 80.1. The need for banking reform is increasingly critical."

* * *

## Some Bright Spots in January

JANUARY statistics in Canada, however, show our domestic situation much brighter. Iron and steel output surpassed all 1932 monthly totals in January and, while automobiles produced during the month were less than in January, 1932, the industry has got away to a good start.

Carloadings feature the usual weekly statistics with a big increase following the light previous week. Western Canada, released from its snow drifts and frigid weather, showed an allround increase in carloadings of commodities. Grain loadings were increased 74 per cent or 1,139 cars, coal by 493 cars, merchandise by 447 cars and live stock by 402 cars. In the eastern division all commodities with the exception of pulp and paper and coke showed increases over the previous week. Coal was greater by 559 cars and merchandise by 521 cars. Loadings, however, are still considerably below the totals recorded last year.

Wheat exports continue to run ahead of last year's totals and exports during the crop year are now over 60 per cent greater than during the same period of the 1932 crop year. All Canadian ports have handled considerably more grain this year than last, Montreal, Vancouver and Sorel being the chief ones to benefit while United States Atlantic ports have handled only 16,000,000 bushels, or 2,000,000 bushels less than in the previous crop year period.

## Butter Output Lower; Eastern Provinces Gain

All the eastern provinces recorded increased butter production in January, 1933, compared with the same month of the previous year while all the western provinces recorded lower totals. The Canadian total was 8,124,081 pounds, a decrease of 4.2 per cent from 1932. New Brunswick showed the largest percentage increase of nearly 30 per cent while Ontario produced 160,000 pounds more than in January, 1932, an increase of 4.5 per cent.

January Creamery Butter Production

| | 1932 Lb. | 1933 Lb. | Incr. or Decr. 1933-32 % |
|---|---|---|---|
| P. E. I. | 63,345 | 71,000 | +12.1 |
| N. Scotia | 340,447 | 360,642 | + 5.9 |
| N. Bruns. | 38,761 | 50,103 | +29.3 |
| Quebec | 692,462 | 700,000 | + 1.1 |
| Ontario | 3,582,815 | 3,692,045 | + 4.5 |
| Manitoba | 1,021,938 | 827,770 | —19.0 |
| Sask. | 1,048,779 | 857,901 | —18.2 |
| Alberta | 1,376,455 | 1,209,000 | —12.2 |
| Br. Col. | 368,079 | 355,620 | — 3.4 |
| Total | 8,483,081 | 8,124,081 | — 4.2 |

# Business Conditions in Canada

## 11 P.C. INCREASE IN BUYING POWER PRAIRIE FARMER

### Searle Grain Co. Analysis Shows This Increase in January

Purchasing power of wheat has risen 11 per cent since December, 1932, although even yet it only represents 29 per cent of the purchasing power of this commodity in 1913-14, according to a compilation of the Searle Grain Co., Winnipeg. It is estimated that there are approximately 60 million bushels still to be marketed in the West, which will benefit by this increased purchasing power.

This increase in purchasing power is caused both by an increase in the price of wheat and a further decline in the price index of "things farmers buy." The wheat price index on the base of 1913 equals 100, rose from 34 on December 31, 1932, to 36 on January 31, 1933, while the index of "things farmers buy," on the same base, declined from 132 to 126 on January 31, 1933.

**Even Decline**

Analysis of the various groups making up the index for "things farmers buy" shows that the decrease from the end of December has been fairly evenly distributed. Farm implement companies report lower prices for 1933, reducing this group by 5 per cent. Farm equipment and supplies are down approximately 5 per cent. Groceries are down 3 per cent and clothing and home equipment about one-third of one per cent.

On December 16, 1932, wheat reached the lowest point ever recorded in any market for over 300 years and, according to the Searle Grain Co. estimate, the purchasing power of wheat was then at the lowest point ever recorded. Since that time, however, purchasing power has increased by 31 per cent.

**Livestock Index**

A new index has been added to the group compiled by the grain company and published in full in The Financial Post of Jan. 28, 1932. At the request of livestock producers the price of butcher steers on the Winnipeg market has been compiled on a 1913-14 base. This index shows that, while livestock producers did not benefit to as great an extent as wheat producers in the high prices prevailing prior to 1929, the price has not been subjected to the drastic decline felt by wheat. At January 31, 1933, livestock prices were 60 per cent of those prevailing in 1913-14.

## Business Briefs

**Average value of the pound sterling** for special duty purposes is $4.13, effective for entries during the period March 1 to 15, inclusive.

**Carloadings** for the week ended Feb. 18 amounted to 35,879 cars compared with 30,691 in the previous week. This was an increase of 5,188 cars and the index number rose from 53.22 to 61.31, the highest since the middle of last November.

**Wheat stocks** for the week ended Feb. 17 were down considerably from the previous week, the comparative totals being 226,497,704 bu. and 229,087,945 bu. In the same week of 1932 stocks amounted to 190,183,508 bu.

**Wheat exports** in the week ended Feb. 17 amounted to 4,583,231 bu., nearly double the amount exported in the same week of 1932 and compared with 3,148,831 bu. in the previous week. Exports for the crop year are now 58,000,000 bu. ahead of last year.

## Sask'wan 1932 Payroll Declined 25.5 Per Cent

Saskatchewan's estimated payroll for 1932 for 20 classes of industry was $28,629,647, a decrease of 25.5 per cent from the $38,426,700 estimated for 1931, according to the annual report of the Workmen's Compensation Board of the province.

The largest payroll of a single industry was in elevator and milling companies, for which the total estimated sum was $4,505,500.

Receipts by the board for 1932 were $450,873 and disbursements, including allowance for outstanding claims, were $415,671. Accident costs for 1932 at $265,746 were materially less than the $336,831 recorded in 1931.

## Business Shows Gain In Four Economic Areas

### Maritimes Alone Fails to Show Improvement at End of January, The Financial Post Indices Show

By SYDNEY B. SMITH

Despite a reactionary tendency in employment and electric power production, four of The Financial Post indexes for economic areas showed moderate gains during January over the preceding month.

The Maritime Provinces index recorded a decline and now stands at approximately the level maintained from 1925 to 1927. Expansion in the power and paper industries was the chief influence in maintaining the trend of the index of the Maritime Provinces from 1928 to 1931, although general conditions reacted to economic readjustment during the last three years.

**Other Four Gains**

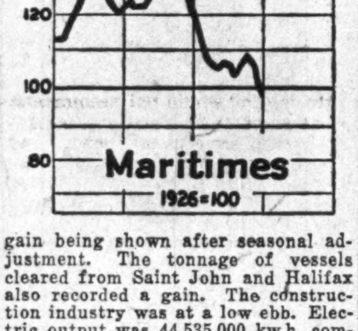
A fairly close correlation was maintained between the indexes of the four remaining areas. The trend from January, 1925, to the present resembles a pyramid with the apex lying about the early months of 1929. The level of business activity as measured by nine factors is apparently not far from the levels of 1925. If provision were made for normal long term growth, the present showing would be very much more unfavorable.

During the latter part of 1932 a more constructive tendency was in evidence in Quebec, Ontario, and British Columbia, and the results for January show the development was continued during the first month of the year. The upward trend of the indexes in January would have been more convincing if based on gains in employment and electric power production. The declines in contract awards and building permits were less than normal for the season but operations were at a decidedly low level. The increases in the indexes were due mainly to gains in bank debits, sales of life insurance and in the additional individual factors connected with each area.

* * *

MARITIMES.—The situation in the Maritime provinces was characterized by winter port activity, together with gains in bank debits and sales of life insurance after seasonal adjustment. Decision by British authorities in regard to the payment of duty on wheat transmitted through United States ports has reacted favorably on export movement through Maritime province ports.

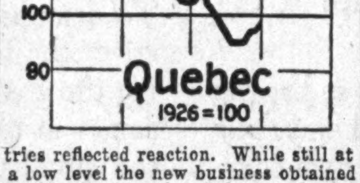
Value of exports shipped through Maritime province ports in January was $12,270,000 compared with $4,909,000 in December a substantial gain being shown after seasonal adjustment. The tonnage of vessels cleared from Saint John and Halifax also recorded a gain. The construction industry was at a low ebb. Electric output was 44,535,000 kw.h. compared with 52,587,000 in December. The index of industrial employment after adjustment was 80.3 on February 1 compared with 83.2 on January 1.



The business index for the Maritime provinces was 98.5 compared with 102.2 in December.

* * *

QUEBEC.—The situation was mixed in Quebec, financial factors and the construction industry showing gains while employment, the power, boot and shoe, cotton and newsprint industries reflected reaction. While still at a low level the new business obtained by the construction industry showed gain over December. Contract awards were $1,523,000 compared with $1,248,000 in December, and building permits were $328,000 compared with $261,000.

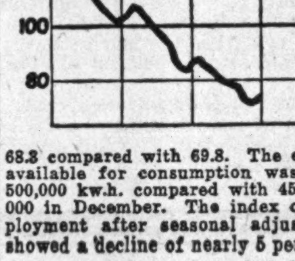


Output of electric energy was 785,142,000 kw.h. compared with 801,907,000 in December. While the decline after seasonal adjustment was considerable, it is noteworthy that the output in January was greater than in the same month of either of the preceding three years. Power consumption in Quebec was 604,900,000 kw.h. compared with 576,900,000 in January, 1932.

After adjustment for seasonal tendencies the index of employment was 80.7 on February 1 compared with 84.9 at the first of the year. Bank debits showed a gain whereas a decline would have been normal for the season. The gain after seasonal adjustment was consequently pronounced. The activity on the mining markets probably accounts for much of the gain in cheque payments. The decline in sales of life insurance was substantially less than normal for the season. The boot and shoe industry after a fairly active year has shown recession in the current period. Imports of raw cotton showed a falling off in January and the gain in the output of newsprint was less than normal for the season. The index for the Province of Quebec was 98.1 in January compared with 96.5 in the preceding month.

* * *

ONTARIO.—Conditions continued quiet in Ontario, the very low level of new business obtained by the construction industry despite relatively mild weather being symtomatic of the situation. The index of electric output after seasonal adjustment was 68.3 compared with 69.8. The energy available for consumption was 451,500,000 kw.h. compared with 455,800,000 in December. The index of employment after seasonal adjustment showed a decline of nearly 5 per cent.

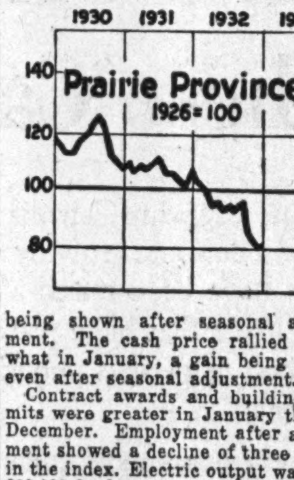


Mining market activity probably accounted for the pronounced gain in bank debits in Ontario. After adjustment for seasonal tendencies the increase was no less than 27 per cent. Sales of life insurance showed a decline. Measured by inspected slaughterings the meat packing industry was more active in January. The output of the iron and steel industry owing to operations at Sault Ste. Marie registered a gain in output of primary products. Operations were resumed at Oshawa in motor car plants and the output showed a gain over December, but a low level was still indicated. Greater activity is anticipated as the season advances. The opening of the spring will doubtless favor considerable addition to the numbers employed in the development of gold mining properties.

The business index of Ontario was 75.6 in January compared with 74.5 in the preceding month.

* * *

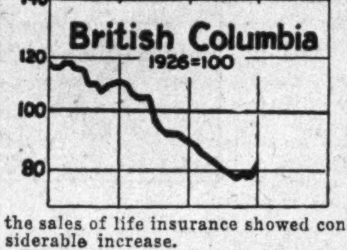
PRAIRIE PROVINCES.—Conditions in the Prairie Provinces were a little more than maintained in January. Receipts of wheat at country elevators were 11,300,000 bushels compared with 18,486,000 in December, a slight gain being shown after seasonal adjustment. The cash price rallied somewhat in January, a gain being shown even after seasonal adjustment.



Contract awards and building permits were greater in January than in December. Employment after adjustment showed a decline of three points in the index. Electric output was 116,099,000 kw.h. compared with 116,933,000, a substantial decline being shown after seasonal adjustment. The index of bank debits after seasonal adjustment was up from 62.0 to 80.0. Sales of insurance showed a gain. The index for the three provinces was 90.6 compared with 90.2 in the preceding month.

* * *

BRITISH COLUMBIA—Contract awards in British Columbia were $665,000 compared with $875,000 in December, while a gain was shown in building permits from $72,000 to $168,000. The decline in electric output was limited to 2 per cent. The index of employment with adjustment was 74.2 compared with 77.4. The gain in bank debits was about 9 per cent and the sales of life insurance showed considerable increase.



Tonnage of vessels clearing from Vancouver was 856,500 in January compared with 907,000 in December. Exports from British Columbia ports were $9,752,000 compared with $11,550,000, the decline being greater than normal for the season.

The business index for British Columbia was 80.7 compared with 79.4.

**Wheat Exports Are Active**

Wheat exports from Canada have been active this year to date, according to a report of the Dominion Bureau of Statistics. January shipments amounted to 14,706,801 bushels, as compared with 9,472,346 bushels during January, 1931, or an increase this year of over 5,000,000 bushels. The United Kingdom took two-thirds of these exports.

## Power Losses Spoil Trend Week's Figures

Output of electrical energy in January failed to hold the gains recorded in November and December over the same months of the previous year and fell 1.2 per cent below the total for January, 1932. Output was also 2.6 per cent lower than in December, 1932. Iron and steel, as mentioned elsewhere on this page, provided the highlight of the week with considerable gains over both January, and December, 1932.

| | | —Change— From prev. period | From prev. year |
|---|---|---|---|
| Monthly | Jan., 1933 | | |
| Auto. output No. | 3,358 | +86.0 | —10.0 |
| Pig iron prod. l. tons | 29,209 | +7.0 | +190.0 |
| Steel ingot prod. l tons | 40,766 | +32.5 | +62.8 |
| Electric output kw.h. | 1,396,658,000 | —2.6 | —1.2 |
| Weekly* | Feb., 1933 | | |
| Carloadings No. | 35,879 | +16.9 | —16.2 |
| Wheat stocks bu. | 226,497,704 | —1.2 | +19.2 |
| Wheat exports bu. | 4,583,231 | +45.5 | +99.3 |
| | Jan., 1933 | | |
| Bank debits $ | 1,968,876,000 | —5.6 | —5.0 |
| | Feb., 1933 | | |
| Constr. contracts $ | 3,149,300 | —6.3 | —78.7 |

*Weeks ended Feb. 18, 17 and 17 respectively.

## AUTOMOBILE OUTPUT BELOW 1932 LEVEL

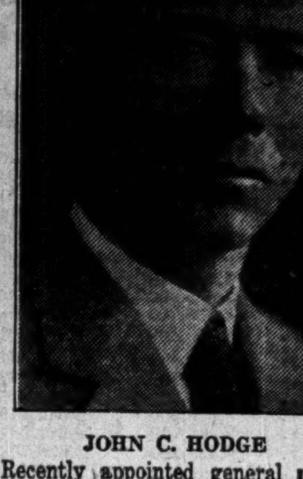
### But Number of Coaches and Sedans Higher Than Previous Year

Passenger automobiles produced in Canada in January numbered 2,921 compared with 3,112 in January, 1932, a decrease of 6 per cent. Commercial cars and trucks produced numbered 487, a decrease of 182 or 29.4 per cent from the same month of the previous year. Total automobiles produced were 10 per cent less than in January, 1932.

Although automobiles produced for export, included in the above figures, numbered 328 in both years, 208 of this total were passenger cars in 1933 compared with 142 in January, 1932.

The decline in passenger cars manufactured in January took place in the open car and coupé groupings. The former declined from 277 to 28 and the latter from 623 to 433. Closed sedans and coaches, on the other hand, increased from 2,187 to 2,402.

## In Merger News



JOHN C. HODGE

Recently appointed general manager for Canada of R. G. Dun & Co., who will head the newly announced merger in Canada of the famous mercantile agencies of Dun and Bradstreet.

## New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

**Atlantic Service Co., Ltd.**, subsidiary of a New York company of the same name, is transferring its Canadian plant from Montreal to Toronto. The company manufactures chopper knives and blades for meat grinding machines. R. A. Kelly will continue as manager of the company.

**Maynard, Inc.**, of Chicago, manufacturer of drug sundries, cosmetics and soaps, has leased space in Toronto for the manufacture of certain of its products. The company's operations will be in charge of Frank Robinson.

**Shu-Milk Products, Inc.**, of Orange, N.J., manufacturer of white shoe cleaner, has arranged with British American Agencies of Toronto, which company formerly distributed the product in Canada, to manufacture and distribute the cleaner here.

**Kincardine, Ont.**, is considering the proposal of a Collingwood, Ont., knitting firm to establish in the town. Reasons for leaving Collingwood are given as lack of accommodation.

**Marden-Wild of Canada, Ltd.**, has leased the municipally-owned abattoir at Rockhead, Halifax, and will use the building to manufacture fat liquors and oils for tanning leathers.

**Mack, Miller Candle Co., Ltd.**, Niagara Falls, Ont., which started manufacturing about a year ago, has extended its line of candles to include all kinds of candles used in churches.

**Empire Cotton Mills, Ltd.**, Welland, Ont., has let a contract for an addition to their spinning mill. The area of the new building will be about 6,000 sq. ft.

**Michigan Maple Block Co. of Canada, Ltd.**, recently organized subsidiary of Michigan Maple Block Co., Petoskey, Mich., has commenced operations at Sault Ste. Marie. The company manufactures butcher blocks and heavy cutting tables.

**Shell Oil Co.**, having completed its first unit of a new $1,000,000 plant at Burrard Inlet, Vancouver, is now proceeding with the second unit. The cost of the first unit was approximately $100,000.

**United Electrical Engineers, Ltd.**, has been formed by the merger of four large electrical companies. Head office of the new company will be Montreal and a branch will be maintained in Toronto. Lancashire Dynamo and Crypto of Canada, Ltd., Bruce Peebles (Canada) Ltd., Harland Engineering Co. of Canada, Ltd., and Crompton Parkinson (Canada) Ltd. are the parties in the merger. C. G. Abbey, of Lancashire Dynamo, will be president and general manager and Brian M. Burt, of Harland Engineering, vice-president and Ontario manager.

**Bridge River Development Co.** has commenced construction of a 400-ton Hadsel mill at Bridge River, B.C. The cost of the mill will be $60,000. E. Sheppard is superintendent of the company.

**Sonoco Products Co.** is expected to start work on its Brantford plant some time in April, according to J. L. Coker, president of the company in Hartsville, N.C. The company will start manufacturing as soon as alterations are completed on the old Niagara Silk Co. factory in Brantford.

**Percy English** is at present conducting negotiations with Pictou, N.S., town council, with a view to establishing a chemical plant there. The chief product which it is proposed to manufacture is carbon dioxide, it being stated that there is at present no company in Canada manufacturing this gas.

**Fraser Valley Sugar Beet Holding Co.** has been formed by Dutch and Belgian interests to promote the erection of a beet sugar factory in Fraser Valley, B.C. It is proposed to incorporate a company under Dominion charter having a capital of $2,000,000. G. de la Giroday, representing the Dutch and Belgian interests, will open an office at 445 Granville Street, Vancouver.

## Mercantile Agency Firms Have 90-Year Record

### R. G. Dun and Co., Which Now Absorbs Bradstreets, First Came to Canada in 1857

Acquisition of the mercantile agency house of The Bradstreet Co. by R. G. Dun & Co. announced in New York this week, will merge the identity of two of the most famous institutions of their kind on this continent. Both have been in business since the 1840's. In Canada, the first R. G. Dun branch was established in 1857 at Montreal, with a branch a year later at Toronto. Bradstreet's established first in Canada at Toronto in 1875.

The merger became effective March 1 and entails acquisitions by R. G. Dun & Co. of all the assets and business of the Bradstreet Co. In the United States the new firm will be known as Dun & Bradstreet Inc. Whether this name will be adopted in Canada has not definitely been decided. The organization of Bradstreet's is being merged with the Dun organization during the week, according to J. C. Hodge, general manager for Canada of the R. G. Dun & Co. Mr. Hodge will continue in charge of the new company for Canada.

**Oldest and Largest**

Business of R. G. Dun & Co. is described in its official publications as an institution which "supplies information in detail as to the antecedents, character, capacity, capital and credit of business men throughout the world." It is the oldest and largest mercantile agency in the world and in addition to 172 offices in the United States, has 17 offices in Canada and 54 offices in other parts of the world. Bradstreet had 166 offices in United States, 17 in Canada and 17 in other parts of the world.

Canadian offices are located in the following cities; the date at which the R. G. Dun office was established being given in brackets in each case: Montreal (1857); Toronto (1858); Halifax (1867); Saint John (1871); Hamilton (1872); London (1876); Winnipeg (1882); Vancouver (1891); Quebec and Ottawa (1892); Calgary (1906); Edmonton, Regina, Saskatoon, Moose Jaw and Victoria—all in 1910 and in Windsor in 1928.

R. G. Dun & Co. owes its origin to the panic of 1837. As a result of this depression the old New York silk house of Tappan & Co. went into bankruptcy with liabilities of slightly over $1,000,000. Every dollar of these liabilities was repaid within 18 months of the bankruptcy. Lewis Tappan, who had been the credit man, decided to use his credit experience as the basis of a business of his own. Accordingly, in 1841, he founded The Mercantile Agency to distribute credit information to New York merchants. He retired from the successful enterprise a few years later in favor of Benjamin Douglass who continued as senior partner until 1859 when he sold the business to his brother-in-law, R. G. Dun.

The concern then became R. G. Dun & Co., the mercantile agency which has been the title ever since. From 1859 to his death in 1900—a period of more than 40 years—Mr. Dun was the active, directing head of the business and the sole proprietor. After the death of R. G. Dun in 1900 a board of trustees was formed by his heirs to administer the mercantile agency. This board, under the chairmanship of Mr. Robert Dun Douglass, continued as the governing body of R. G. Dun & Co. for the next 30 years.

In 1930 the R. G. Dun Corporation was formed and A. D. Whiteside became president of the new corporation. Mr. Whiteside had been president of the National Credit Office, a mercantile agency specializing in the textile field.

In 1848, John M. Bradstreet, a Cincinnati attorney, was made assignee of a large insolvent estate. During his administration he acquired a broad knowledge of the credit standing of the creditors and debtors who had dealings with the estate. For this information he found an active demand on the part of New York concerns. In the following year he decided to specialize on this work and accordingly he founded Bradstreet's Commercial Agency. In 1876 the organization was incorporated under the name it has borne since that time, "The Bradstreet Company."

## St. Catharines Attracted 8 New Industries in 1932

During 1932, St. Catharines Chamber of Commerce was instrumental in bringing to the city eight new industries, employing 483 men with a payroll of $483,788. The list of industries which started business in St. Catharines in 1932 is as follows:

L. O. Hudson Co., Ltd.
Grouts, Ltd.
Scholler Bros.
Nu-Bone Corset Co. of Canada, Ltd.
Lightning Fastener Co. Ltd.
Thompson Products, Ltd.
W. S. Tyler Co. Ltd.
Hyatt Chemicals, Ltd.

## Commodity Prices

Commodity Prices at Wholesale‡

| | Week ending Feb. 25 | Previous week | Same week last yr. |
|---|---|---|---|
| Cattle (cwt.) | $4.75 | $4.50 | $7.00 |
| Copper, lb. | .05 | .05 | .06 |
| Cotton, lb. | .0595 | .0615 | .0705 |
| Rubber, lb. | .0285 | .0293 | .0368 |
| Silk, lb. | 1.20 | 1.22½ | 1.62½ |
| Sugar, raw, lb. | .0285 | .0280 | .0288 |
| Wheat (Man.) bu. | .45⅝ | .46⅜ | .67¼ |
| Hides, lb. | .04½ | .04½ | .06½ |
| Coffee, lb. | .08½ | .08¾ | .07¾ |
| Weekly Indices | | | |
| N. Y. Annalist* | 80.1 | 81.0 | 91.8 |
| Fishers' | 55.1 | 55.4 | †62.0 |
| N. Y. Journal of Comm. | 52.6 | 52.8 | 58.7 |
| Crumps (Brit.) | 60.5 | 60.8 | †62.4 |

*N. Y. Annalist base, 1913; others, 1914.
†Average 1932.

Monthly Indices

| | Latest w'sale | Prev. month | Same month last year |
|---|---|---|---|
| Canada (D.B.S.) (Jan.) | 63.9 | 64.0 | 69.4 |
| Retail (Jan.) | 79.7 | 80.0 | 89.6 |
| U. S. Labor (Dec.) | 62.6 | 63.9 | ... |
| Gt. Brit. (Jan.)§ | 46.9 | 46.0 | 50.5 |

‡ Basis of price quotations is as follows: cattle — steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; silk—Japanese, 13-15, New York; sugar—96 degree centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.
§ Converted to U. S. dollar equivalent.

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## Canadian Business Indicators

Compiled by The Financial Post

| | Weekly Latest 1932-33 | 1932-31 | Cumulative Jan. 1 to date 1932 | 1931 |
|---|---|---|---|---|
| **Transportation—** | | | | |
| Car loadings (Feb. 18) | 35,879 | 42,785 | 222,276 | 284,846 |
| C. P. R. gross earn. (Feb. 21) | $1,772,000 | $2,129,000 | $12,936,000 | $15,631,000 |
| C.N.R. gross earn. (Feb. 21) | $2,037,193 | $2,644,139 | $14,447,660 | $18,844,960 |
| | Monthly | | | |
| C.P.R. net earn. (Dec.) | $2,310,749 | $3,590,562 | $20,089,984 | $25,424,766 |
| C.N.R. net earn. (Jan.) | $‡1,420,848 | $‡588,122 | ...... | ...... |
| **Iron and Steel—** | | | | |
| Pig iron, tons (Jan.) | 29,209 | 10,305 | ...... | ...... |
| Steel, tons (Jan.) | 40,766 | 25,060 | ...... | ...... |
| Automobiles prod., No. (Jan.) | 3,358 | 3,731 | ...... | ...... |
| Automobile exports, No. (Jan.) | 504 | 582 | ...... | ...... |
| **Construction—** | | | | |
| Building permits (Jan.) | $1,163,878 | $2,761,929 | ...... | ...... |
| Contracts (January) | $3,362,400 | $12,738,300 | ...... | ...... |
| **Newsprint—** | | | | |
| Production, tons (Jan.) | 140,539 | 171,321 | ...... | ...... |
| Exports, tons (Jan.) | 127,779 | 172,913 | ...... | ...... |
| **Sugar—** | | | | |
| Imports, raw, lbs. (Dec.) | 22,371,400 | 46,388,100 | 674,635,900 | 798,359,500 |
| Melt & ship, lbs.* | 18,766,629 | 27,972,514 | ...... | ...... |
| Manufactured, lbs.* | 27,303,133 | 27,891,289 | ...... | ...... |
| **Flour—** | | | | |
| Production, bbls. (Dec.) | 1,009,799 | 1,175,152 | 14,465,164 | 16,673,367 |
| Wheat flour exp., bbls. (Jan.) | 397,304 | 331,806 | ...... | ...... |
| **Other Industrial Indices—** | | | | |
| Lumbering: Plank & board exports, mill ft. (Dec.) | 38.54 | 56.65 | 675.12 | 937.73 |
| Boots and shoes, pr. (Dec.) | 978,064 | 1,183,534 | 17,879,218 | 17,677,616 |
| Petroleum, imp. crude, gal. (January) | 35,084,950 | 72,728,643 | ...... | ...... |
| Cotton, imp., raw, lbs. (December) | 13,819,000 | 12,224,000 | 97,356,000 | 95,596,000 |
| Rubber, raw, imp. lbs. (Jan.) | 2,663,414 | 3,911,406 | ...... | ...... |
| Coal, imports, tons (Dec.) | 893,636 | 1,025,187 | 11,673,428 | 13,531,831 |
| Gasoline sales, gals. (Sept.) | 63,607,000 | 61,382,000 | 389,876,000 | 422,291,322 |
| **Trade—** | | | | |
| Imports (January) | $24,441,133 | $34,114,507 | ...... | ...... |
| Exports (January) | $31,561,818 | $38,366,699 | ...... | ...... |
| Wheat exports, bus. (Jan.) | 14,706,801 | 9,472,346 | ...... | ...... |
| **Labor—** | | | | |
| Employment Index (Dec.) | 78.5 | 91.6 | ...... | ...... |
| **Electric Power—Output—** | | | | |
| M. Kilowatt hours (Dec.) | 1,438,159 | 1,482,182 | 15,862,736 | 16,883,398 |
| **Finance—** | | | | |
| Failures, No. (Nov.) | 229 | 213 | 2,224 | 2,020 |
| Failures, Liabilities (Nov.) | $4,342,717 | $4,335,646 | $38,849,423 | $49,595,665 |
| Bank debits† (Dec.) | $2,084,605 | $2,636,122 | $25,844,288 | $31,586,468 |
| Bond sales (Jan.) | $20,203,610 | $46,162,086 | ...... | ...... |
| Insurance sales (Jan.) | $29,367,000 | $37,331,000 | ...... | ...... |
| **Automobile Financing:** | | | | |
| Used cars (Dec.) | $652,725 | $1,003,073 | $13,116,991 | $21,071,707 |
| New cars (Dec.) | $471,961 | $828,881 | $12,736,918 | $20,869,547 |

*Four weeks' period, Jan. 7 to Jan. 28. †(000's omitted). ‡Deficit.

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# ELECTRIFICATION WINDSOR-MONTR'L THOUGHT FEASIBLE

## Single Right of Way Project Thought Solution to Many Problems

## WEIR REPORT USED

### Findings of U. K. Commission Applied to Canadian Situation by Basil B. Campbell

Supported largely by the findings of the Weir Report on railway electrification in the United Kingdom, a plan has recently been outlined by Basil B. Campbell, of Campbell and Shepherd Limited, Toronto, setting forth the desirability and feasibility of electrification of a double track line between Windsor and Montreal.

Although no attempt has been made to develop the scheme in detail the plan suggested whereby this electrification could be achieved embodies the taking over from the C. N. R. and the C. P. R. of their various direct line rights of way between Windsor and Montreal with the abandonment of other than what may be necessary to operate a double track line. These rights of way would be taken over by a corporation whose identity would be independent of the railway company and would operate in much the same way as the various joint terminal properties are now operated—as for instance in Toronto Terminals Company.

**Believes Plan Profitable**

Reasons for proposing such a scheme at the present time according to Mr. Campbell, are that in the first place it is believed that in so doing the line from Montreal to Windsor can be made considerably more profitable since at the present time, the combined traffic of both roads is insufficient to tax the capacity of one double track right-of-way line between those two points. Electrification, it is believed, would increase the capacity of the trackage for traffic by at least 30 per cent.

An immediate saving in operating costs would be achieved by relieving the railways by maintenance of unnecessary right-of-way while in addition it is pointed out that electrification has, without exception, owing to increased comfort and facilities, raised the volume of passenger and freight revenue and reduced the cost of operation.

**Provide Hydro Power Outlet**

Other reasons given are that the scheme would provide another outlet for the large power surplus of the Ontario Hydro-Electric Commission. Offering an outlet for this surplus power there would, in turn, it is believed, lead to a consequent lowering of the cost of power to the manufacturer and domestic consumer. Such a plan, it is stated would also be of considerable value in reinstating the bona fides of the Beauharnois enterprise. It is also pointed out that if done immediately the plan would offer a constructive solution to unemployment relief problems in various municipalities throughout Ontario.

Based on the findings of the Weir Report in Great Britain, it is pointed out that over 10,000 miles of railway have been electrified in leading countries of the world and that reasons for this electrification have been chiefly as follows:

1. To make use of available water power.
2. To avoid the importation of foreign coal.
3. The existence of steep gradients and long tunnels.
4. On the grounds of traffic density.
5. Ensuring of independent railway operation in time of war.

Not all these reasons were common in every instance, it is pointed out, but as far as Canada is concerned, and quite apart from the financial possibilities of the undertaking, it is asserted that at least two of these reasons, namely, the utilization of available water power and the elimination of the necessity of importing foreign coal, would be relevant to the Canadian situation.

Chief objection to electrification, Mr. Campbell points out, as revealed in the Weir Report was the heavy capital expenditure involved. No attempt is made by Mr. Campbell to estimate what the approximate cost of an electrification scheme in Canada between Montreal and Windsor would cost, but the findings of the Weir Report are quoted which indicate that the net cost of electrification of the entire British railway system would involve something like £261,000,000 and that assuming this was undertaken and carried out over a period of twenty years, the net savings which would accrue would be sufficient to return 6.7 per cent on this investment of over a billion dollars. Reduced to its simplest terms, and from a purely financial point of view this, it is estimated, would leave a surplus of approximately 2 per cent available after meeting interest charges on the new capital involved.

Although this margin, in the view of the Weir Report, was too narrow for the risks and contingencies involved, Mr. Campbell points out that in the Canadian situation there are certain credit items which must be taken into consideration and which were not available in the British situation.

**Canadian Plan Cheaper**

Chief of these is the relative cost of coal and hydro power in the two countries, according to Mr. Campbell. The British plan was calculated on a hydro power cost of approximately ½ cent (.5 penny) per kilowatt hour and included a sum of £80,000,000 to provide for erection of all necessary transmission lines, sub-stations and plants. Mr. Campbell suggests that since the electric railway load would be constant for 24 hours, a rate of perhaps as low as .35 cents per kilowatt could be obtained in Canada which on the basis of the British scheme would permit a return of approximately 9.35 per cent on the capital investment of £261,000,000 as against the Weir estimate of a return of only 6.7 per cent.

He also suggests that as the Ontario Hydro-Electric Power Commission have a network of transmission lines and many conveniently placed sub-stations, the heavy transmission line expense allowed for in Great Britain would be largely taken care of in Canada. He also points out that the saving in Great Britain of electrical energy over steam was based on cheap coal and expensive power. The Canadian situation is the reverse, namely expensive coal and cheap power.

Other advantages in favor of the Canadian situation which are mentioned are that unlike the British situation, existing equipment of the Canadian lines could be utilized elsewhere in place of purchases. The British plan called for the virtual scrapping or sale of existing equipment as the electrification plan developed over the 20 year period.

"Electrification has its sponsors, also its opponents," Mr. Campbell concludes, "both railways have undoubtedly canvassed the question, but have they done so with regard to the combined traffic over one right-of-way?"

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# What Is Goodwill Worth?

## Many Canadian Corporations of Widely Diversified Activities Carry Goodwill in Their Balance Sheets at Values Ranging from $1 to $28,816,601

| Company | Capital* | Total Assets | Fixed Assets | Goodwill |
|---|---|---|---|---|
| Beatty Bros. | $8,334,500* | $6,363,524 | $1,535,325 | $ 1 |
| Belding Corticelli | 1,751,846 | 4,151,501 | 2,575,592 | 500,000 |
| Blue Ribbon | 2,279,837* | 2,688,826 | 1,243,068 | 268,638‡ |
| Brantford Cordage | 2,886,650 | 4,421,791 | 1,187,515 | 993,797‡ |
| B. A. Oil | 15,060,117* | 27,604,331 | 14,834,238 | 1 |
| Canadian Bronze | 1,042,395 | 1,976,910 | 822,800 | 1 |
| Catelli Macaroni | 1,710,000 | 2,077,890 | 1,501,239 | 100,000‡ |
| Consol. Industries | 884,175* | 2,396,299 | 310,627 | 400,000‡ |
| Consol. Press | 1,397,976 | 1,679,855 | 640,411 | 500,000 |
| Cosgrave | 1,055,000 | 1,180,436 | 749,486 | 282,717‡ |
| Canada Bread | 4,768,700 | 6,960,108 | 3,548,394 | 2,356,634 |
| Canada Foundries | 1,766,400 | 2,768,581 | 1,728,756 | 250,000 |
| Canadian Bakeries | 2,705,300 | 2,850,341 | 1,764,147 | 706,664‡ |
| Con. Ind. Alcohol | 13,398,700* | 12,765,672 | 3,009,344 | 2,142,180‡ |
| Distillers Corp. | 15,000,600 | 25,918,975 | 14,893,918† | |
| Dom. Foundries | 3,829,000 | 5,014,610 | 3,155,482 | 1,065,889‡ |
| Dom. Glass | 9,265,700 | 12,271,237 | 5,695,213 | 2,581,920‡ |
| Dom. Rubber | 16,463,200 | 21,638,763 | 9,667,101 | 4,214,052‡ |
| Frost Steel | 1,385,000 | 2,075,290 | 512,631 | 836,400 |
| Gurd, Charles | 1,135,113 | 1,628,694 | 979,102 | 250,000‡ |
| Hamilton Theatres | 2,043,400 | 2,135,107 | 700,319 | 1,310,188‡ |
| Hiram Walker-G. & W. | 24,986,900 | 34,867,488 | 8,619,465 | ...... |
| Holt, Renfrew | 2,768,750 | 3,549,765 | 1,275,387 | 772,454 |
| Honey Dew | 1,608,500 | 2,103,196 | 346,595 | 723,693‡ |
| Hunt | 608,337 | 845,573 | 677,950 | 1 |
| Imperial Oil | 75,346,171 | 255,757,758 | 121,050,244 | 48‡ |
| Imperial Tobacco | 55,285,160 | 69,069,593 | 4,249,661 | 28,816,801‡ |
| Inter-City Baking | 3,687,300 | 4,039,389 | 2,540,952 | ...... |
| Laura Secord | 904,464 | 1,892,996 | 321,484 | 1 |
| P. T. Legare Co. | 3,375,900 | 7,486,131 | 2,771,212 | 1 |
| Lindsay, C. W. | 2,586,734 | 3,093,676 | 1,063,069 | ...... |
| Loblaw | 2,881,060* | 6,332,012 | 2,240,959 | ...... |
| Maple Leaf Milling | 9,172,300 | 16,801,151 | 8,691,019 | 859,401‡ |
| McColl | 26,826,600 | 32,483,454 | 24,487,513 | ...... |
| Moore Corp. | 8,520,099 | 9,391,744 | 4,772,822 | 1 |
| Mount Royal Hotel | 10,385,700 | 10,534,880 | 7,956,006 | 900,000 |
| Muirheads | 514,655 | 594,976 | 320,438 | 150,000‡ |
| National Breweries | 8,185,285 | 18,369,981 | 11,554,911 | 1,500,000‡ |
| National Sewer Pipe | 1,814,564 | 2,477,896 | 1,408,855 | 1 |
| Orange Crush | 1,130,000 | 1,432,546 | 198,432 | ...... |
| Rogers-Majestic | 2,225,228 | 2,950,935 | 675,961 | 849,110‡ |
| Service Station | 12,427,557 | 15,710,618 | 3,707,760 | 1 |
| Sherwin-Williams | 7,751,156 | 14,796,852 | 9,331,268 | ...... |
| Simon & Son | 550,861 | 664,692 | 55,138 | 1 |
| Tip-Top Tailors | 2,079,200* | 3,329,551 | 2,227,203 | ...... |
| Tooke Bros. | 1,478,850 | 1,863,418 | 658,977 | 323,785 |
| United Amusement | 3,119,975 | 5,297,744 | 3,185,751 | 1,372,291 |
| Weston | 1,946,582 | 2,464,382 | 1,088,350 | 1 |
| Western Canada Flour | 2,618,700 | 8,751,429 | 5,435,091 | 1 |

* Does not include bank loans which in some instances are heavy.

† Includes goodwill.

‡ Goodwill item also takes into consideration patents, leases, rights, franchises, trademarks and other assets of tangible and intangible value.

# Goodwill Value Ranges from Nil to Millions

## Survey of Canadian Corporations' Balance Sheets Reveals Widespread Valuations on Companies' Most Precious Asset

From Our Own Correspondent

MONTREAL.—Here today and gone tomorrow is the manner in which one eminent auditor describes a company's most precious asset—goodwill. Managements, and even auditors, are not altogether in accord with this view. Goodwill may not represent a cash outlay. On the other hand it may represent thousands and even millions of dollars spent on advertising and other promotional work necessary to the establishment of a sound and thriving business. For that and other reasons numerous corporation balance sheets feature the item of goodwill. It may only be a nominal sum of $1, or it may be as much as 10, 25 or even 50 per cent of fixed or total assets.

It is of interest to note that public utility companies do not carry "goodwill" in their balance sheets. Probably in no other line of activity is goodwill of such importance and the omission of this item in the valuation of a utility's assets is particularly noticeable when making a comparison of financial statements with other concerns.

Utility companies are monopolistic in character so that in theory they are not concerned with goodwill. Obviously such is not the case. Earning power is regulated by rates authorized for services, the basis of consideration by the rate-establishing body is simply what capital has been expended in providing the service. Large sums may have been spent by a utility in promoting goodwill, but such expenditures are not considered in rate making nor do they appear in the balance sheet.

**Many Values Shown**

Turning to other companies whose products or services bring them into immediate contact with the public, one finds a wide difference of opinion as to the dollar value of goodwill. It is true that few companies could survive for any length of time without the support of the public. For that reason goodwill has a definite value to a going concern, whether it be good, bad or indifferent. There is however, not the same unanimity of opinion in capitalizing this intangible item.

Has goodwill a tangible value? Many arguments—both pro and con—could be advanced. Where the management of a company has established good public relations either through a superiority of product or superlative service, one cannot but say that goodwill has a value. A change in management, however, might destroy that goodwill overnight. It is also true that goodwill cannot be realized upon in event of liquidation. Broadly speaking it is to be doubted if goodwill can be valued in dollars and cents, except in the event of the sale of the company as a going concern.

**Difference of Opinion**

Examination of the balance sheet of nearly 50 Canadian corporations of widely varying interests reveals that managements do not themselves agree on the valuation of goodwill. Many of them carry this item at an arbitrary figure, generally for the purpose of balancing assets and liabilities on their balance sheets. Others, who have every reason for appreciating the need and value of goodwill, carry this asset in their financial statement at a nominal figure or eliminate it entirely.

Perhaps the best example of the importance attached to goodwill is to be seen in the case of the Imperial Tobacco Co. of Canada, whose balance sheet carries goodwill, trademarks, etc., at the very substantial figure of $28,816,801 compared with total assets of $70,020,268. This company has spent millions of dollars in advertising and promotional work. The net result has been the building up of public goodwill to the point where the company dominates the Canadian tobacco market and its sales constitute 75 per cent or more of all tobacco products sold in the Dominion.

Many reasons could be advanced in support of Imperial Tobacco including goodwill among assets and capitalizing earning power based upon sales created by goodwill.

**Oil Refiners Agree**

One group of companies which strives for goodwill and spends large sums annually in promoting sales and bettering service is oil refiners and distributors. It is not necessary to enlarge upon the value of goodwill to these companies, but it is interesting to see how the operators value this item in their financial returns.

Imperial Oil, with assets of over $225,000,000, and handling substantially in excess of one-half of all the oil and gasoline business in Canada, carries goodwill and other miscellaneous tangible and intangible items on the balance sheet at the very conservative figure of $48.

British American Oil Co., second largest operator in the oil industry, for many years past carried goodwill and leases at a large figure. In 1931 this item represented $2,314,125 out of total assets of $30,483,772. During 1932 the management arrived at the decision to eliminate this "asset" and the 1932 report saw goodwill and leases written down from $2,314,125 to $1.

McColl-Frontenac, third in the field, has followed the practice of not showing goodwill in its balance.

The action of British American Oil now places the three principal oil operators in the same position in respect to valuing goodwill.

**Food Companies Showing**

In the food and merchandising field opinion is widely divided as to the value of goodwill. Blue Ribbon Co. carries goodwill, trademarks, etc., at roughly 10 per cent of its total assets which amount to $2,688,826.

Catelli-Macaroni Products, doing a nation-wide business, place the value of their goodwill at $100,000 as against assets of $2,007,890.

Charles Gurd, manufacturers of soft-drinks, believe that their goodwill and trademarks are worth $250,000 or around 12 per cent of all assets.

The success of Honey Dew depends solely on goodwill and this item, together with licenses, etc., represents $723,693 of its total assets of $2,103,196.

Hunt's, of Toronto, whose business is equally dependent on goodwill, carries this asset at the nominal figure of $1.

Laura Secord, with its extensive chain of candy shops, appreciates and knows well the value of goodwill, but on the balance sheet it is shown at $1.

Muirheads, operating several restaurants in Toronto, figures that goodwill and other intangible items are worth $150,000, or roughly 25 per cent of all assets.

Orange Crush, whose business is dissimilar to Honey Dew, does not show goodwill among its assets.

Bakery companies, as a rule, regard goodwill and trade names as tangible assets. Establishing bread routes is expensive and though of little or no liquidating value, they show up prominently in goodwill. Canada Bread, with assets of $6,690,108 carries goodwill at $2,356,634, or about two-thirds the value of fixed assets.

Canadian Bakeries have $2,850,341 of assets, of which about 25 per cent represents goodwill, etc.

Inter-City Baking does not show goodwill among its assets of $4,039,389.

**Industrials Carry Goodwill**

On the balance sheet of industrial concerns, goodwill frequently bulks as a major item. Canada Foundries carries goodwill at $250,000, or approximately 20 per cent of all assets.

Dominion Foundries places its goodwill and other intangible items at nearly 20 per cent of its $5,014,610 of assets.

Dominion Glass is in the same category, with goodwill valued at $2,581,920, compared with assets of $12,271,237.

Dominion Rubber regards goodwill, patents, rights, etc., as worth $4,214,052, or nearly one-fifth of total assets.

**Where Goodwill Counts**

Generally speaking, however, brewers and distillers and theatres prize goodwill more highly than any other two groups, if the figures shown on their balance sheets are any criterion. Cosgrave Brewery, with $1,180,436 of assets, gives goodwill, trade names, etc., a value of $282,717.

Canadian Industrial Alcohol values its intangible items of goodwill and trade marks at $2,142,180, or almost exactly 60 per cent of the value of fixed assets.

Distillers Corp.-Seagrams does not tell shareholders the value it places upon goodwill, this item being bunched with fixed assets.

National Breweries place a value of $1,500,000 on goodwill, trademarks, etc., or more than 10 per cent of the value placed against fixed assets.

Hiram Walker-Gooderham and Worts have assets of $34,867,488, but goodwill is not included therein.

United Amusement, operators of neighborhood theatres, credit goodwill with $1,372,291 among assets of $5,297,744.

Hamilton United Theatres, with assets of $2,135,107, value goodwill, franchises, rights, etc., at $1,310,188.

From the foregoing and examination of the accompanying table it will be seen that the value placed against goodwill is usually an arbitrary figure and has little relation to any expenditure which may have been made by the company in building up public relations. Assets listed in a balance sheet should have a liquidation value. Goodwill has a potential sales value, but its liquidating value is nil, and for that reason an increasing number of managements are eliminating the item from their balance sheets.

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# B. C. MUST APPLY MORE ECONOMIES TO GET BALANCE

## No Material Increase in Taxation is Expected; Has Made Progress

From Our Own Correspondent

VANCOUVER.—The British Columbia legislature has entered upon its final session prior to a provincial election to be held this summer. It is hoped to balance the budget without adding to the loans or material increases in taxation, although it seems inevitable that higher incomes will have to bear an increased levy.

Municipalities will fight the proposal to restrict their share of liquor profits, pari-mutuel returns and educational grants, but the Government is determined to retrench and believes that the municipalities will have to do their part, too.

While the balance sheet for 1931-32 charges the province with a total deficit of $7,051,560, this includes nearly $2,000,000 for unemployment costs which all provinces are charging to capital but which in the last fiscal year were charged to current revenue. As against a drop in revenue during the year of $5,926,039, Hon. J. W. Jones, minister of finance, effected departmental economies of $1,342,000.

**Position Improved**

In the current fiscal year, which ends March 31 next, the province's fiscal position has vastly improved. Only a small deficit on current account will be shown in the comptroller's report for the first nine months.

The budget stands at present at $24,600,000, but that figure will have to be reduced considerably if it is to balance, for existing taxes will not raise much more than $20,000,000. Debt charges will account for approximately half the budget, and the legislature will try to work out some way of reducing these. Governmental economy will be applied to departmental reorganization, and an attempt may be made to reduce the personnel of the legislature.

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# Newfoundland Courageous

A letter to The London Times from SIR WILFRED T. GRENFELL

As one who for 40 years has watched with anxious eyes from within the borders the progression of Newfoundland's finances, may I, as a lover of this oldest Colony of the Empire, record the sincere satisfaction with and confidence in the course which events have recently taken?

We are already witnessing a straight and honest endeavor to economize wisely yet drastically. The Government has cut down relentlessly several unnecessary expenses; the Premier accepts no salary at all, and he commands the personal confidence of every man who has a stake in the Colony; his Government is acting fearlessly, although dependent on a popular vote for its very existence. The moment is, of course, not opportune for ambitious schemes of constructive development, but the Government, nevertheless, has its eye not only on the needs of the moment but on the needs of the future. It is displaying a courageous belief in the resources of the country and in the character of its population.

As an old friend of these splendid seamen I should like to draw the attention of the British people to their gallant attempt under the present wise direction to live up to their ancient tradition of loyalty and integrity.

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# Vancouver Tax Rate May Be Cut Two Mills

From Our Own Correspondent

VANCOUVER.—The city's tax rate will be reduced two mills if the recommendations of the finance committee of the city council are adopted. The reduction has been made possible by halving the $2,000,000 reserve originally set aside against expected tax arrears.

Taxpayers would gain $540,000 from the proposed cut. Reducing the mill rate will be an incentive to tax payment, it is believed.

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# ELECTRICAL FIRMS WILL AMALGAMATE

## Canadian Branches of Four British Electrical Firms Merge

Canadian subsidiary of four outstanding British engineering firms has agreed on a merger to go into effect on April 1. United Electrical Engineers Ltd. will be the name of the new company which will join the Canadian interests of Lancashire Dynamo and Crypto of Canada, Ltd., Bruce Peebles (Canada) Ltd., Harland Engineering Co. of Canada, Ltd. and Crompton Parkinson (Canada) Ltd.

Parent organizations of these firms, which represent a capitalization of nearly £3,000,000, are not affected by this merger.

The new company, which will have its head office in Montreal and a branch office in Toronto, will continue to manufacture the machinery and general electrical equipment previously carried by the subscribing companies and also maintain its own service stations throughout the Dominion. It will use the offices and service shops of Lancashire Dynamo and Crypto Co. in both Montreal and Toronto.

Officers of the new company are: C. G. Abbey, now president of Lancashire Dynamo, president and general manager; Brian M. Burt, now director and general manager of Harland Engineering, vice-president and Ontario manager; S. A. Gaskell, now vice-president and general manager of Bruce Peebles (Canada) Ltd., director; S. E. Gladwell, secretary-treasurer of Crompton Parkinson (Canada) Ltd., secretary-treasurer.

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National Steel Car
Corporation Limited

Builders of Passenger Cars—Freight Cars—Street Cars—Air Dump and Industrial Cars of all descriptions. Automobile Chassis Frames, Woodwork and Parts—Steel Pressings—Forgings—Drop Forgings.

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CANADIAN HOME JOURNAL
THE NATIONAL HOME MONTHLY
Maclean's
CANADIAN
Chatelaine

4 out of 5 Urban Families Now Read These Canadian Magazines

DURING the last few years Canadian magazines have assumed a new and growing importance. Editorial standards have been raised and mechanical improvements made that have placed them on a parity with the best magazines published on this or any other continent.

And as these improvements have come, so has the circulation of these magazines developed and their influence widened. Their enterprise and high character appeal to Canada's pride in things Canadian.

Today the every issue circulation of the five leaders is more than double what it was just five years ago. It is now more than 800,000, and before the end of 1933 will likely pass the million mark.

To demonstrate the way in which the magazines cover the Dominion, figures are given below showing the combined circulations of the first five magazines in each Province right across Canada; also the circulations in all cities of 25,000 population and over.

Circulation by Provinces

| Province | Population | Families | 5 Magazines |
|---|---|---|---|
| Nova Scotia | 512,846 | 102,569 | 40,580 |
| Prince Edward Island | 88,038 | 17,608 | 5,025 |
| New Brunswick | 408,219 | 81,644 | 28,147 |
| Quebec | 2,874,255 | 574,851 | 75,914 |
| Ontario | 3,431,683 | 686,337 | 331,524 |
| Manitoba | 700,139 | 140,028 | 69,253 |
| Saskatchewan | 921,785 | 184,357 | 70,344 |
| Alberta | 731,605 | 146,321 | 75,120 |
| British Columbia | 694,263 | 138,853 | 84,475 |
| Yukon and N. W. T. | 11,363 | 2,273 | 183 |
| Miscellaneous | ...... | ...... | 22,804 |
| | 10,374,196 | 2,074,841 | 803,369 |

In Canada there are approximately 1,000,000 English-speaking Urban Homes. The magazine circulation of approximately 800,000 copies each issue therefore provides an average coverage of 4 out of 5 of the English-speaking Urban Homes right across the Dominion.

Circulation in Cities of 25,000 and Over

| Cities | Population | Families | 5 Magazines |
|---|---|---|---|
| Montreal (English) | 245,000 | 49,115 | 47,618 |
| Toronto, Ontario | 613,207 | 122,641 | 94,743 |
| Vancouver, B.C. | 246,593 | 49,318 | 36,212 |
| Winnipeg, Manitoba | 218,785 | 43,757 | 44,250 |
| Hamilton, Ontario | 155,547 | 31,109 | 16,153 |
| Ottawa, Ontario | 126,872 | 25,374 | 16,030 |
| Calgary, Alberta | 83,761 | 16,752 | 15,716 |
| Edmonton, Alberta | 79,197 | 15,839 | 15,594 |
| London, Ontario | 71,148 | 14,229 | 9,842 |
| Windsor, Ontario | 63,108 | 12,621 | 6,673 |
| Halifax, N.S. | 59,275 | 11,855 | 8,968 |
| Regina, Sask. | 53,209 | 10,652 | 9,422 |
| Saint John, N.B. | 47,514 | 9,503 | 7,323 |
| Saskatoon, Sask. | 43,291 | 8,658 | 10,127 |
| Victoria, B.C. | 39,082 | 7,816 | 9,020 |
| Kitchener, Ontario | 30,793 | 6,158 | 4,366 |
| Brantford, Ontario | 30,107 | 6,021 | 3,836 |
| Fort William, Ontario | 26,277 | 5,254 | 4,514 |
| | 2,232,766 | 446,672 | 360,407 |

In these eighteen cities it will be seen that the average coverage is four homes out of every five. The same coverage applies on the average to every city, town and village in English-speaking Canada. In some cities the magazine circulation exceeds the number of homes.

Advertising in Nationally Distributed Magazines Indicates that the Product Itself is Nationally Sold and Accepted

MACLEAN'S MAGAZINE
153 University Ave.
Toronto

CANADIAN MAGAZINE
347 Adelaide St. W.
Toronto

CANADIAN HOME JOURNAL
73 Richmond St. W.
Toronto

NATIONAL HOME MONTHLY
Bannatyne and Dagmar Ave.
Winnipeg

CHATELAINE
153 University Ave.
Toronto

SECOND SECTION

# THE FINANCIAL POST

SECOND SECTION

Vol. XXVII — Member of Audit Bureau of Circulations — PUBLICATION OFFICE: TORONTO, MARCH 4, 1933 — 10c a Copy; $5.00 a Year — No. 9

## DOMINION STORES SHOWS EARNINGS $1.28 PER SHARE

### Compares With $1.82 Earned in 1931; Drew on Surplus to Meet Exchange

### WORKING CAPITAL UP

### Gross Sales of $23,042,272 Show Decline of 8.55 p.c.; Profit Per Dollar Down to 1.57 p.c.

With gross sales showing a decline of 8.55 per cent and net earnings equal to 1.57 per cent of sales as compared with 2.15 per cent in 1931 and 2.15 per cent in 1930, the annual statement Dominion Stores Ltd., shows earnings of $1.28 per share on the 282,382 common shares of no par value outstanding as against $1.82 earned per share in 1931. The company ended its year on December 31, with a slight improvement in working capital position and with a high degree of liquidity although it is admitted, in the frank and illuminating presidential statement of the late W. J. Pentland, that inventories were too high.

Dividends of $1.20 per share paid during the year were paid in United States funds purchased at an average premium of 12.7 per cent. To meet this premium of $43,029, surplus was drawn on the extent of $20,266. Profits in the first six months showed some decline which became accelerated in the latter half of the year. During the year it became impossible to offset the decline in gross revenues due to lower commodity prices, loss of customers to relief depots and general impairment in the public's purchasing power. These difficulties against normal profit operations piled up more rapidly than means were found to surmount them.

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

| | 1932 | 1931 |
|---|---|---|
| | $ | $ |
| Gross sales | 23,042,272 | 25,200,150 |
| Less: Oper. cost | 22,545,239 | 24,569,183 |
| Net earns. from oper. | 497,033 | 630,967 |
| Add other income: | | |
| Int. earned | 65,902 | 80,639 |
| Discounts saved | 60,986 | 67,424 |
| Total net earns. | 623,921 | 770,030 |
| Less: Prov. for inc. tax | 48,000 | 58,000 |
| Depreciation | 214,301 | 198,399 |
| Net profits | 361,620 | 522,631 |
| Less appropriations: | | |
| Com. divids. | 338,858 | 334,811 |
| Com. extra divs. | ...... | 84,602 |
| Prov. for U.S. exch. | 43,028 | 47,572 |
| Surp. for year | †20,266 | 55,646 |
| Add: Prev. surplus | 1,201,049 | 1,267,003 |
| Excess prov. for U.S. exch. | 22,803 | ...... |
| Reval. of bonds sold | 97,796 | ...... |
| Less: Inc. tax prev. yr. | 7,518 | 10,902 |
| Reval. of bonds owned | ...... | 102,957 |
| Res. for losses* | 75,000 | ...... |
| Res. for fire losses | 5,241 | 7,741 |
| Cap. assets w/d | 100,000 | ...... |
| Bal car. forward | 1,113,623 | 1,201,049 |

*On stores to be closed.
†Deficit.

During 1932 the company reduced wages and effected other economies with the result that operating costs at the commencement of 1933 are $200,000 a year less than costs prevailing at the start of 1932. Corresponding increase in profits may not follow since volume of business per store and the rate of gross profit are important factors. In the last quarter of 1932 the management closed 25 unprofitable stores and losses incurred are a charge on 1932 operations. Further stores will be closed in 1933. At December 31, 1932, there were 534 stores in operation as compared with 572 stores at the end of 1931 but more departments were in operation, a total of 137. Stores are located as follows: Ontario, 322; Quebec, 181; New Brunswick, 17 and Nova Scotia, 14. Reductions in rentals have been secured.

### Cash Position Strong

Working capital of $2,602,239 is stated to be more than ample for current needs and shows some increase for the year. Cash, bonds and other liquid investments have been reduced but exceeds by more than $100,000 the total of current liabilities. Cash is shown at $436,018; call loan at $120,000, Dominion and provincial bonds at market value of $182,250 and guaranteed investment certificates at $400,000. Current liabilities consist chiefly of bills and accounts receivable which total $874,168. Inventories are up to $2,326,829 from $2,190,076, carried at cost or market value, whichever is lower. The company has resumed a policy of hand-to-mouth buying and inventories are being gradually reduced. Working capital position is as follows:

Working Capital

| | 1932 | 1931 |
|---|---|---|
| | $ | $ |
| Current assets | 3,609,121 | 4,024,642 |
| Current liabilities | 1,006,882 | 1,450,098 |
| Working capital | 2,602,239 | 2,574,544 |
| Ratio | 3.58—1 | 2.78—1 |

Fixed assets at $1,605,597 show reduction of $166,000 of which $100,000 constituted write-off due to depreciation in market value of equipment. Depreciation reserve for the year was increased to $214,301 from $198,399 while a reserve of $75,000 was set up for losses on stores to be closed. Deferred charges are shown at $76,321; cash surrender value of life insurance at $8,235 and a new item of $48,998 is shown for employee's co-operative investment plan inaugurated during the year.

## Obituary

**William J. Pentland**, president of Dominion Stores Ltd., died February 25 in an automobile accident; aged 45 years. Irish born, Mr. Pentland came to the United States in 1911 starting as a clerk with the Great Atlantic & Pacific Tea Co. and rising to the position of general superintendent within seven years. In 1918 he came to Canada, starting a chain of grocery stores under the name of Dominion Stores Ltd. and under his leadership operations were extended throughout Ontario, Quebec and the Maritime provinces.

## More Space at C. N. E. Required By British

Application for twice the amount of space used last year has been applied for by the Federation of British Industries at the Canadian National Exhibition, held annually in Toronto, according to a report in The Financial Times, London.

The Scottish National Development Council is co-operating with the Federation of British Industries with a view to establishing a representative Scottish section at the show this year.

## Big-Time Methods Aid Jig-Saw Boom

### National Advertisers and Nation-wide Distributors Cause of Biggest Merchandising Phenomena of Decade

This week Canada is riding over the crest of a business boom that has swept the country from Glace Bay to Prince Rupert. Manufacturers are working day and night to keep abreast of orders and each week has set up staggering new totals for production and sales totals that have lasted but a few days and have been smashed to bits almost by the time they are set down on paper and tabulated.

It's the jig-saw puzzle boom. It's on the wane now in the big cities but is still going strong in the East and the West.

Old-timers will smile and tell you they did jig-saws when they were youngsters—one big firm in Toronto boasts a home-made puzzle that is 70 years old—but it is doubtful if in the past fifty years there have been more jig-saw puzzles made and sold in all Canada than are being sold nowadays in Toronto in a week.

### $100,000 a Week

Ask yourself or your friends this question: "How many jig-saw puzzles were sold in Canada last week?" It all depends which week you mean but a rough, conservative calculation by The Financial Post last week places the federal total at well over the half million mark. In Toronto alone sales are estimated to be well over the 100,000 mark weekly. That means a turnover of at least $100,000 a week or over $5,000,000 a year on picture puzzles — and still we talk about a depression.

As a matter of fact it's the depression that gets the blame for the jig-saw boom. Those who have followed its meteoric rise to merchandising and social fame say that people couldn't afford theatres and expensive parties so they had to figure out inexpensive ways of entertaining their friends. They found the lowly picture puzzle — child's game for generations—and now this blushing debutante of 1932 is the social rage of 1933 across the entire continent. Big business merchandising has seen to that.

### Already Waning

Just how long it will last is not hard to say. Already big-time retailers in Montreal and Toronto are going "short" on jig-saw and business is already showing signs of weakening. It simply wasn't possible for sales to keep on mounting as they did until a week or two ago. Furthermore retailers sense that spring fever, warm sunshine and human nature will do to sales what a world-wracking depression had simply failed to accomplish.

In Toronto and Montreal the peak demand for inexpensive puzzles has already been reached but in outlying areas and in the East and West, volume is still mounting to dizzy figures. This it is thought will continue for a few weeks more —or until warm weather comes. Demand for more expensive puzzles may possibly last throughout the year—particularly for summer vacation needs, while demand for puzzles throughout lending libraries is also expected to keep up at a fairly steady rate throughout the year. Beyond this—so the experts say—the jig-saw will be as antequated as the Yo-Yo or the short skirt within six weeks at the most.

### How Boom Started

Fathering of the jig-saw by news company distributors has in U. S. and then in Canada been as much responsible as any other single factory for its nation-wide popularity. These big organizations with thousands of outlets across the country, got the idea apparently from national advertisers — notably Pro-phy-lac-tic Toothbrush Co. which last July ordered 6,000,000 puzzles from a big New York lithographing house. The puzzle was a thirty piece affair showing a little girl brushing her doggie's teeth, and was given away with each toothbrush purchased. Sales increased 400 per cent in a few weeks. Other manufacturers followed suit and last autumn a Boston firm decided to try and sell the puzzles on a news stand basis—25 cents each and a new one each week.

Now they can't be made fast enough. The firm which originally made the Pro-phy-lac-tic puzzle (Einson-Freeman Co.) was turning out 3,000,000 puzzles a week about the first week in February and confidently expected to be making 5,000,000 a week toward the end of the month, according to the New Yorker.

Actually the business of making jig-saws started to pick up about two years ago and as far back as June, 1931, Parker Brothers—the makers of Pit, Old Maid and other parlor games were reported as having 120 men employed who did nothing else but make jig-saw puzzles. These are the more expensive ones which sell from 75 cents to $3.

### Crime Club Combination

The latest idea in jig-saws is a combination mystery book and jig-saw puzzles brought out about a week ago by the Crime Club. It comes in a box made in imitation of a book. Inside is a 16-page mystery story by Edgar Wallace—complete except for the solution, and 200 pieces of cardboard. The idea is that you put these pieces of cardboard together twice. On one side is printed a list of clues to the mystery. You study these then break up the puzzle and put it together again—other side up—thereby assembling a picture which shows the crime being committed.

Another angle of the jig-saw business reminds us of the old stage gag where Benny says to Joe "Do you want to make some money?" "You bet," says Joe. "Then get your photograph taken and sell it as puzzles." All the leading movie stars have sold their pictures to the puzzle makers and Clarke Gable a few weeks ago is reported to have cashed a $10,000 cheque as his share of the royalty booty.

### Canadian Distribution

In Canada all the leading news agencies are distributing puzzles on a weekly basis in their thousands of outlets throughout the country. Newsdealer outlets in Toronto alone are estimated at about 1,000. Puzzles are sold and delivered each week on a "consignment" basis which means the dealer only pays for what he sells. There are said to be over 20 jig puzzle "lines" on the market at the present time—each one of which sends out its weekly puzzle to the public via newsdealers or via the other two big outlets, the chain store and the departmental store.

Sizes of puzzles range from 100 to 2,000 pieces. The big ones are usually found in the jig-saw puzzle lending libraries which have sprung up like mushrooms across the country. The Robert Simpson Co. jig-saw library, for instance, in Toronto, has been in operation for almost a year but the big boom for its wares has only developed since last December. It has now 1,000 puzzles and week after week its shelves have been emptied by 5 o'clock on Saturday afternoon of each week. Charges which were 10 cents a day have dropped to 5 cents and the limit is three days. As puzzle fiends have become more adept at their avocation they have demanded harder and more difficult puzzles and the average number of pieces has been raised to between 400 and 500.

### Mostly Die Stamped

Bulk of puzzles sold are what are called "die-stamped." Strictly they aren't jig-saws at all but merely lithographed pictures mounted by machinery on heavy cardboard which are run through a stamping machine which presses the steel die on to the sheet, cutting it into pieces in a jiffy. Girls scramble the pieces and feed them through a hopper into a cardboard box. Prices range from 5 to 30 cents. Each line or series brings out a new one each week.

Proper jig-saw puzzles are actually cut by a jig-saw from one or three-ply wood. It is said to take as many as ten jig-saws to make a really first class puzzle. The T. Eaton Co. have installed a jig-saw on their main floor and customers may choose their pictures and have them made into puzzles while they wait.

### Too Busy to Sell

Manufacturers are chiefly the big printing and lithographing plants and box makers who are making hay while the jig-saw sun shines. First quarter earnings should be considerably swelled by the new source of revenue. One manufacturer was reputed to be so busy making them he hadn't time to make personal calls on prospective customers. All he could spare time for was to call them by telephone. A Montreal distributor ordered 5,000 of one puzzle a few weeks ago and sold out; ordered 10,000 the next week and was cleaned out again. The following week he doubled again and last week he raised his ante to 25,000. That sort of thing has been duplicated all over the continent in the past two months. Manufacturers are springing up by the dozen in all parts of the country but success depends on them getting distribution for their product either through a news distributor a chain or a department store.

In London, Ont., for instance, two firms alone are turning out 30,000 puzzles daily with 450 people employed and a weekly payroll of more than $7,500. Demand for puzzles from Western Canada has been reaching frantic proportions—one firm of distributors having telegraphed three times in one day last week in anxiety to get supplies. The demand has exhausted raw materials in many cases. One big department store was disappointed in two big shipments last week because of inability of manufacturers to get raw material fast enough.

Perhaps it's just as well the boom is on the wane. We heard of one harassed wife the other day who is urging a municipal curfew on jig-saw puzzles. Her husband is a jig-saw fiend who goes in for big jig-saws in a big way. The other morning he didn't come to bed till 6.30 a.m. And she had to phone his office that he wouldn't be in that morning. She's afraid she'll be on city relief if the boom continues.

## Pacific Mills Completes New Fibre Box Unit

From Our Own Correspondent

MONTREAL. — Pacific Mills Ltd. has completed a $150,000 expansion programme providing facilities for manufacturing solid fibre boxes. New equipment has been installed at the company's Ocean Falls and Vancouver plants; kraft mills at the former have been altered to permit manufacture of fibre board and a converting plant has been erected in Vancouver to make the fibre containers. Production will be started immediately, it is reported.

Pacific Mills is the Canadian operating subsidiary of Crown Zellerbach Corp., one of the largest newsprint manufacturers in the United States and a substantial factor in the Pacific coast and mid-west trade. The Canadian company ends its fiscal year April 30; in the last period net profit after bond interest, depreciation, and taxes was $215,904. This was slightly more than half that shown in the previous report; surplus was $97,970 after payment of preferred dividends. Total surplus was increased to $6,282,968.

### Fish Catch Shows Increase

Large catches of smelts, last December, off Prince Edward Island, as well as considerable caplin, tomcods and clams, raised the catch of all fish to 4,587 hundredweight, as compared with 3,622 hundredweight in December 1931.

## NEW LIGHT CARS BY FORD AND CHEV. WILL SOON APPEAR

### Battle for Sales Supremacy Looms in Lower Price Field

Two automobiles which will set a new low price for the industry on the North American continent are confidently expected this spring, one to be produced by Ford and the other by General Motors. Rumor regarding these cars has been rife for more than a month and, while specifications have varied considerably, the suggested price has always been quoted at around $500 in Canada.

Reference to the new Ford has already been made in The Financial Post (Feb. 11, 1932). Nothing more complete with regard to specifications has appeared since that time although, according to a published interview with Henry Ford appearing in Business Week, New York, Ford himself has had a hand in the production of the new car. He states that it will mark a forward step in the industry and will be more than just a change of front and bodywork. "New fronts and new fixings" is the way he characterized the changes in the industry during the past few years.

### The New Ford

Model 44, as the new Ford will be called, will be more than just bare transportation, it is said, but it will not be burdened with gadgets and purely luxurious refinements. So far as is known at present, Model 44 will have a wheelbase of 105 inches. Results of experiments in the use of cheaper though durable materials will keep the price down. The engine, according to rumor, will be a light V-8, smaller than the 1932 eight cylinder job and considerably smaller than the big 8 of 1933.

Rumors have sifted through from General Motors' United States factory that a new car, built on the Chevrolet lines, has already been completed there and undergone a road test. This new car, to be known as the Chevrolet "Mercury" in the United States is to be a direct challenge to the new Ford light 8. Consensus of opinion appears to favor a light six, a smaller brother of the present Chevrolet, built to a price and without gadgets, etc. It is believed that the name "Mercury" will not be used in Canada.

### Affect Used Car Prices

To what extent the entry of these new cars into the field will have on the used car market is difficult to estimate.

## Standard Clay Omits Dividend on Common

From Our Own Correspondent

MONTREAL.—Directors of Standard Clay Products have taken no action on the dividend usually due February 15 on the common stock. Since 1929 the company has paid 2 per cent annually and in 1932 an additional 2 per cent bonus was distributed from the previous year's surplus. With the exception of 1928 payments have been made without interruption since 1923.

Omission of the dividend is not surprising in view of results obtained last year. Profits dropped to $19,468 from $201,040 reported in 1931 and after bond interest and depreciation there was a deficit of $59,534. This was increased to $74,534 after dividends while surplus was further reduced by the 2 per cent bonus. At the end of 1932 surplus was $98,483 compared with $190,059 at the close of the previous year.

There is $750,000 of common outstanding. Earnings in 1931 were the highest to be recorded, being equal to $11.20 a share on the common. Senior to the stock there is outstanding $486,500 of 6 per cent first mortgage bonds.

## Food, Rentals Lowest Amherst, St. Hyacinthe

### But Wide Fluctuations Seen in Comparative Cost of Living in Leading Canadian Cities

Nomads and hard-pressed householders, anxious to find the cheapest place to live among Canadian metropoli will have to spend their time between St. Hyacinthe, P.Q., and Amherst, N.S., if figures on urban living costs given to The Financial Post this week by the Department of Labor at Ottawa, can be believed.

These figures cover the costs of food and rent in 60 leading Canadian cities and reveal that as at January 1, 1933, the weekly workingman's food bill came to only $5.96 in St. Hyacinthe, P.Q. This is the lowest figure of any for these cities and compares with a high mark at the same date for Nanaimo, B.C., where the weekly food bill is said to cost $7.84 or just 32 per cent more than in St. Hyacinthe.

### Rents Lowest in Amherst

But St. Hyacinthe is not necessarily the cheapest place to live in Canada for the cost of rentals in the weekly budget and based on workingman's 6-roomed houses with modern conveniences is $5.25 per week in St. Hyacinthe whereas down in Amherst the corresponding figure is $4.13. Amherst gets credit therefore for having the cheapest rentals in Canada as far as these 60 cities are concerned. Strangely enough, Nova Scotia has both the highest and the lowest rentals for Canadian cities for Halifax—not 90 miles from Amherst as the crow flies, reported workingmen rentals of $8.13 per week—a figure just $4 or almost exactly twice as high as that for Amherst.

### Some Costs Increasing

Comparison of costs of food and rent in leading cities as compared with corresponding prices at the beginning of November show that in the two month period, prices of foodstuffs rose slightly in 8 cities and fell in 47. Increases were most notable in Quebec province which accounted for 4 out of the 8 gains. The 8 cities where prices rose were as follows: Sydney, N.S.; Quebec, St. Johns, Montreal, and Sherbrooke, P.Q.; Calgary, Vancouver and Victoria. Food prices were lower in all cities in Ontario, New Brunswick, Manitoba and Saskatchewan.

The sharpest decline was in Galt, Ontario, where prices of food items in the weekly budget dropped 53 cents. The sharpest increase was 21 cents in Victoria.

### Rentals Decline in 10 Cities

Changes in workingmen's rentals occurred in only 10 cities. In all these cases there was a decline ranging—on a weekly basis from a drop of $1.25 in Halifax and Saskatoon to 25 cents drop in several Ontario and western cities. Cities where declines occurred with the amount of the decline (weekly basis) in each case are as follows: Halifax ($1.25); Ottawa (.75); Belleville (.25); Toronto (.25); St. Catharines (.75); Hamilton (.62); Regina (.25); Saskatoon ($1.25); Moose Jaw (.25); Vancouver (.25).

### How Figures Compiled

Food and rent, according to the figures compiled by the Department of Labor at Ottawa, comprise over 80 per cent of the weekly cost of a family budget in Canada. The budget is planned for the purpose of showing changes in the cost of the items included rather than to show the minimum cost for an average family. The food prices are based on the costs of 71 staple foodstuffs and groceries while the rental figures are compiled for figures covering the cost of workingmen's 6-roomed houses with modern conveniences. No figures for costs of fuel and lighting are available by cities because of the difficulty of obtaining figures that are strictly comparable in each case.

Cost per week of food and rents as compiled by the federal Department of Labor for the Labour Gazette family budget according to 60 leading cities are as follows. In the case of food prices, comparative figures are given for November 1, 1932 with the increase or decrease in each case.

Food and Rent Costs in Leading Canadian Cities

| | Food Jan. 1 1933 | Food Nov. 1 1932 | Food Net change | Rent Jan. 1 1933 |
|---|---|---|---|---|
| Nova Scotia: | $ | $ | c | $ |
| Sydney | 7.58 | 7.40 | +18 | 5.25 |
| New Glasgow | 7.17 | 7.35 | —18 | 5.00 |
| Amherst | 6.84 | 7.20 | —36 | 4.13 |
| Halifax | 7.46 | 7.66 | —20 | 8.13 |
| Prince Edward Island: | | | | |
| Charlottetown | 7.04 | .... | .... | 5.88 |
| New Brunswick: | | | | |
| Moncton | 7.46 | 7.48 | —2 | 6.75 |
| Saint John | 7.39 | 7.78 | —39 | 6.88 |
| Fredericton | 7.61 | 7.81 | —20 | 6.25 |
| Quebec: | | | | |
| Quebec | 7.24 | 7.11 | +13 | 7.50 |
| Three Rivers | 6.56 | 6.58 | —2 | 5.38 |
| Sherbrooke | 6.59 | 6.49 | +10 | 6.25 |
| St. Hyacinthe | 5.96 | 6.16 | —20 | 5.25 |
| St. Johns | 6.07 | 6.01 | +6 | 6.00 |
| Montreal | 7.06 | 6.97 | +9 | 6.38 |
| Hull | 6.40 | 6.63 | —23 | 6.50 |
| Ontario: | | | | |
| Ottawa | 7.06 | 7.22 | —16 | 6.75 |
| Kingston | 6.57 | 6.71 | —15 | 5.13 |
| Belleville | 6.33 | 6.64 | —31 | 6.00 |
| Peterborough | 6.28 | 6.59 | —31 | 6.25 |
| Oshawa | 6.77 | 7.02 | —25 | 4.00 |
| Toronto | 7.22 | 7.34 | —12 | 6.75 |
| Niagara Falls | 7.21 | 7.50 | —29 | 5.88 |
| St. Catharines | 6.91 | 7.10 | —19 | 6.75 |
| Hamilton | 7.12 | 7.25 | —13 | 6.88 |
| Brantford | 6.79 | 7.08 | —29 | 5.88 |
| Galt | 6.96 | 7.49 | —53 | 5.63 |
| Guelph | 6.81 | 7.05 | —24 | 6.25 |
| Kitchener | 6.62 | 6.86 | —24 | 6.50 |
| Woodstock | 6.23 | 6.09 | —46 | 6.25 |
| Stratford | 6.62 | 6.84 | —22 | 6.50 |
| London | 6.69 | 6.90 | —21 | 7.50 |
| St. Thomas | 6.84 | 6.85 | —1 | 6.25 |
| Chatham | 6.52 | 6.78 | —26 | 6.00 |
| Windsor | 6.75 | 6.87 | —12 | 6.25 |
| Sarnia | 6.56 | 6.90 | —34 | 6.25 |
| Owen Sound | 6.57 | 6.74 | —17 | 5.50 |
| North Bay | 7.21 | 7.37 | —16 | ... |
| Sudbury | 7.04 | 7.22 | —18 | 6.75 |
| Cobalt | 7.63 | 7.66 | —3 | 5.50 |
| Sault Ste. Marie | 6.98 | 6.98 | unch. | 5.38 |
| Port Arthur | 7.28 | 7.38 | —10 | 6.50 |
| Fort William | 7.26 | 7.38 | —12 | 6.50 |
| Manitoba: | | | | |
| Winnipeg | 6.85 | 7.17 | —32 | 7.50 |
| Brandon | 6.43 | 6.73 | —33 | 5.63 |
| Saskatchewan: | | | | |
| Regina | 6.59 | 6.61 | —2 | 7.25 |
| Prince Albert | 6.71 | 6.86 | —15 | 5.63 |
| Saskatoon | 6.52 | 6.60 | —8 | 6.25 |
| Moose Jaw | 6.92 | 6.79 | —13 | 6.50 |
| Alberta: | | | | |
| Medicine Hat | 6.81 | 7.32 | —51 | 5.88 |
| Edmonton | 6.87 | 7.04 | —17 | 6.88 |
| Calgary | 6.81 | 6.80 | +1 | 6.00 |
| Lethbridge | 6.64 | 6.83 | —19 | 6.00 |
| British Columbia: | | | | |
| Fernie | 7.50 | 7.98 | —48 | 5.00 |
| New Westminster | 6.95 | 7.00 | —5 | 4.50 |
| Vancouver | 7.21 | 7.17 | +5 | 5.63 |
| Victoria | 7.65 | 7.86 | +21 | 5.63 |
| Nanaimo | 7.84 | 7.92 | —8 | 6.25 |

## Economic History Repeats Itself

### Wisdom and Fallacy Down the Ages

### THE R. F. C. IN ANCIENT ROME

"Of the year 33 A.D. it may possibly have been recorded in the diaries of certain Roman business men that there was......one of the severest panics......Creditors......were now suddenly calling in their principals. Nothing seemed to check the panic. One bank closed after another....... Valuable villas and racing studs were knocked down for trifles. Caught in the disaster many men of excellent credit and seemingly ample fortune were reduced to beggary.

"Tiberius solved the problem with his usual calm, good sense ......100,000,000 ses. were to be taken from the imperial treasury and loaned to the neediest debtors....... The most pressing cases cared for by the government loan, private lenders began to take courage and offer money at reasonable rates....... So the panic passed."

—*"Wealth in Imperial Rome," by Prof. W. S. Davis.*

* * * *

### MONETARY NOSTRUMS 100 YEARS AGO

"In discussing the bank question our readers probably will remember that we exposed the folly and knavery of several nostrums brought forward to relieve the distresses, or to augment the prosperity, of the country, by resettling its pecuniary obligations according to a new legislative scale, or by what was naively called 'an action on the currency.' The Gridiron man, with his scheme of spoilation under the title of 'equitable adjustment,' and Mr. Attwood, of Birmingham, with his profuse issues of £1 banknotes, were then the champions who contested the palm of national deliverance.......

"A third competitor, of humbler name but not humbler pretensions, has since appeared in the author of 'A Plan for a new Circulating Medium,' which now lies before us, and which, like that of Mr. Attwood, evidently implies 'an action on the currency,' by which he hopes to alleviate the national burdens, to stimulate the national industry, to reduce the public debt, and to afford beneficial employment to the great body of the people. The author of this new project, who from his name (Gerard Graulhie) we presume to be a foreigner, and who from his 'plan' we suspect to be a jeweller, proposes to cure the greatest share of our national evils by issues (not of gold—not of silver—not of bank-notes—but) of diamonds and precious stones."

—*The London Times, January 10, 1833*

* * * *

### FOUND, A POPULAR CURRENCY!

"One other form of currency, used in part payment of wages in certain English coal mines in the middle of the nineteenth century, remains to be mentioned. And that is, beer. A commission was sent to investigate its efficiency as money and reported thus: 'This currency is very popular, and highly liquid, but is issued to excess and is difficult to store.'

—*"The Story of Money," By Sir Norman Angell.*

## HUNTS PROFIT SHARPLY DOWN; DREW ON SURPLUS

### Working Capital Maintained; Higher Taxes Offset Economies

With a decrease of 11.1 per cent in dollar volume of business done, Hunt's Ltd. net earnings were reduced to $46.183 in 1932 as compared with $102,985 in 1931. After provision for depreciation loss of $4,278 is shown and dividends of $37,021 paid during the year were met out of surplus. Working capital position, however, was maintained. Sales in 1932 are reported at $881,389 as against $991,146 in 1931 and peak sales of $1,149,501 in 1929. Decrease in sales is due in part to lower prices on candy, ice cream and pastry sold through the company's 30 stores.

Operating expenses were reduced during 1932 but savings were offset by increase in taxes. Ratio of net earnings to sales was 5.24 per cent which compares with 10.39 per cent in 1931. Income and surplus account is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

| | 1932 | 1931 |
|---|---|---|
| | $ | $ |
| Sales | 881,389 | 991,146 |
| Net earnings | 46,183 | 102,985 |
| Less: Depr. reserve | 50,461 | 45,817 |
| Prov. for inc. tax | ...... | 2,514 |
| Net profit | *4,278 | 54,654 |
| Other profits | 3,857 | ...... |
| | *421 | 54,654 |
| Less appropriations: | | |
| Class "A" divids. | 20,521 | 26,118 |
| Class "B" divids. | 16,500 | 21,000 |
| Surp. for year | †37,442 | 7,536 |
| Add: Prev. surp. | 172,691 | 251,072 |
| Less: | | |
| Addit. inc. tax, 1930 | 203 | 1,385 |
| W/o govt. bonds | ...... | 9,748 |
| W/o store equip. | ...... | 7,000 |
| W/o bldg. improv. | ...... | 67,784 |
| Bal. carried forward | 135,046 | 172,691 |

*Loss.
†Deficit.

Current assets and current liabilities are lower but working capital is reduced by only $2,496 and ratio of current assets to current liabilities is somewhat higher. Cash is up to $52,993 from $12,600 with $38,646 in special savings account. Bonds carried at $59,348 in 1931 are no longer shown. Merchandise inventory is practically unchanged at $36,429. Accounts payable are down to $32,252 from $37,650; accrued expenses to $6,198 from $10,678 and dividend payable to $8,414 from $11,780. Working capital position is as follows:

Working Capital

| | 1932 | 1931 |
|---|---|---|
| | $ | $ |
| Current assets | 98,155 | 118,332 |
| Current liabilities | 46,863 | 64,544 |
| Working capital | 51,292 | 53,788 |
| Ratio | 2.09—1 | 1.83—1 |

Cash surrender value of life insurance is up $1,000 at $6,800 and investment in and advances to subsidiary up $2,000 to $33,439. Land, buildings and equipment at depreciated values are down to $642,438 from $677,950. Capital stock remains unchanged with 18,656 class A shares and 15,000 class B shares outstanding.

### Gold Production in Yukon

The output of gold from the placer deposits of the Yukon Territory in 1932 had a value of $900,000. In 1900, the greatest year of the Klondike gold production, the output was valued at over $22,000,000.

## January Output Iron and Steel At High Level

Not since July, 1931, has pig iron production reached the total recorded in January, 1933, the 29,209 long tons produced being nearly 2,000 tons greater than the December figure, which was the high mark for 1932. Activity in the Dominion Iron & Steel mills in Nova Scotia is responsible for the high record, production from that source being 16,000 tons, while 13,000 tons came from the Algoma mills in Ontario.

Production of 40,766 tons of steel ingots and steel castings in Canada during January was the highest reported for any month since the 43,572 tons of March, 1932, and compares with 30,755 tons in December. The improvement over December was in the ingot trade, which rose to 39,820 tons from 29,986 tons, while the change in direct steel castings was comparatively small at 946 tons as against 769 tons.

## CAN. TERMINALS EARNINGS DOWN; DEFICIT HIGHER

### Fails to Earn First Mortgage Bond Interest; Working Capital Maintained

Operating profit of Canadian Rail & Harbor Terminals Ltd. is reported at $221,906 for the year ended December 31, 1932, which compares with $289,942 in 1931. Gross revenue was $148,372 lower during 1932 than in 1931 but this was largely offset by reduction in salaries and other operating economies so that working capital position was reduced by only $12,605. Interest on the $3,500,000 of 6½ per cent first mortgage bonds amounts to $227,500 annually without provision for exchange so that the company just failed to earn first mortgage bond interest. Interest paid September 1, 1932, was paid in Canadian funds only.

Deficit account is further increased after provision for unstated financial charges and depreciation. The income and surplus account for the past two years has been as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

| | 1932 | 1931 |
|---|---|---|
| | $ | $ |
| Operating profit | 221,906 | 289,942 |
| Less: Financial chgs. and deprec. | 499,110 | 489,457 |
| Oper. deficit for yr. | 277,204 | 199,515 |
| Add: Prev. deficit | 1,164,938 | 965,423 |
| Def. car. fwd. | 1,442,142 | 1,164,938 |

While total of current assets and current liabilities is reduced working capital shows small reduction and ratio of current assets to current liabilities is improved. Cash is down to $124,290 from $187,426 and accounts and other receivables are down to $83,812 from $131,374 while deposit with trust companies re interest payments remains at $87,500. The chief item in current liabilities is accrued bond interest of $75,833 while Toronto taxes of $92,752 shown in 1931 no longer appear. Working capital position is as follows:

Working Capital

| | 1932 | 1931 |
|---|---|---|
| | $ | $ |
| Current assets | 296,011 | 406,330 |
| Current liabilities | 83,632 | 180,594 |
| Working capital | 212,379 | 225,736 |
| Ratio | 3.53—1 | 2.25—1 |

Building and equipment is down to $3,376,106 from $3,435,531 after provision for depreciation while deferred charges and organization expenses are down to $617,052 from $658,337. Land and dock lease remain at $2,034,578. In addition to the first mortgage bonds there is $2,000,000 of general mortgage bonds on which interest of $291,667 is in arrears; and $305,000 of 7 per cent debentures on which interest of $39,142 is in arrears. Preferred and common stock is carried at $1,549,200 from which is deducted deficit of $1,442,142.

## PACIFIC TERMINAL PLANS ADJUSTMENT

### Would Make First Mortgage Interest Payments Subject to Income

From Our Own Correspondent

VANCOUVER.—Payment of interest on $1,500,000 6½ per cent first mortgage bonds of Pacific Coast Terminals, Ltd., will be made on the basis of available net income up to February 1, 1933, according to proposals made to bondholders by W. B. Lanigan, president of the company. Interest on these bonds has not been paid since August 1, 1931.

It is proposed that the principal, interest rate and maturity date remain unchanged and payable in United States funds with the exception that interest up to February 1, 1935, be limited to its available income, after paying all operating and maintenance charges, including interest on $300,000 of 7 per cent debentures. These debentures are guaranteed as to interest by New Westminster City. It is also suggested that the company's sinking fund liability be limited to such available income and that a representative of the Montreal Trust Co. be appointed to the board of directors to look after the interests of the bondholders.

Gross earnings of Pacific Coast Terminals rose from $200,656 in 1930 to $204,000 in 1932, while operating profits increased from $1,691 in 1930 to $56,100 in 1932. Expenses have been reduced from $198,964 in 1930 to $147,900 in 1932.

In view of the fact that the company is in default on its first mortgage bonds an attempt might be made to declare the company insolvent, stated Mr. Lanigan. He also pointed out that if interest payments on the $300,000 debentures, advanced by New Westminster in 1932, had not been repaid by the company there was danger of the fixed assessment of $5,000 for 15 years being lost.

Unless business declines Mr. Lanigan believes that earnings will permit an interest payment to bondholders this year. To effect this readjustment the consent of the bondholders to the extent of at least 75 per cent of the total issue of $1,500,000 will be required.

### Fur Farming is Active

An extension of fur farming in the Province of New Brunswick is predicted following the improved outlook for furs. A number of farms that, previously, were not interested in this branch of farming are ordering pens and starting out in a limited way.

## DOMINION TAR PROFITS DECLINE; COVERS INTEREST

### No Depreciation Provided for Properties in Last Year

From Our Own Correspondent

MONTREAL, QUE.—Lower net earnings, and a net profit of $8,608 compared with $358,944 in 1931 are features of the financial statement of Dominion Tar and Chemical Co. in 1932. Last year $116,360 was provided for depreciation but it is stated that this sum has been diverted to sinking fund for the debentures. In the previous year $500,828 was written off for depreciation.

Payment of preferred dividends and reserve for preferred stock sinking fund resulted in a deficit of $105,420 against a profit of $2,954 in the previous year. This deduction from surplus was offset to some extent by $24,137 realized on debentures redeemed but surplus at profit and loss was $912,717 compared with $994,000 at the end of 1931.

### Profit and Loss

Following is a comparison of profit and loss for the past two years:

| | 1932 | 1931 |
|---|---|---|
| | $ | $ |
| Net earnings | 505,013 | 1,279,761 |
| Less: Deprec. | 116,360 | 500,828 |
| Debenture int. | 320,238 | 326,337 |
| Exchange | 39,182 | 34,539 |
| Inc. tax | 20,625 | 58,613 |
| Net profit | 8,608 | 358,944 |
| Less: Pref. divds. | 81,819 | 327,275 |
| Alta. Wood divds. | 24,374 | 26,148 |
| Skg. fund res. | 7,835 | 2,567 |
| Surplus for year | *105,420 | 2,954 |
| Add: Disc. on debs. | 24,137 | ...... |
| Prev. surplus | 994,000 | 991,046 |
| Balance forward | 912,717 | 994,000 |

*Deficit.

Working Capital

| | 1932 | 1931 |
|---|---|---|
| | $ | $ |
| Current assets | 2,425,100 | 2,877,410 |
| Current liabs. | 471,783 | 697,531 |
| Working capital | 1,953,317 | 2,179,879 |

Reduction on current assets is due to elimination of a former cash balance of $252,113 and reduction of $382,000 in accounts receivable which total $639,454. Inventories are up $182,000 at $1,785,644. The increase is explained by the fact that a considerable export market is available for some of the company's products and the gain in inventories represents value of forward sales in these markets. Shipments will be made upon the opening of navigation.

During the year the company acquired $50,000 (par value) of its own debentures and these are carried at $34,873. Properties less depreciation are valued at $10,714,438 a decline of $88,000.

### Redeems Some Debentures

In liabilities accounts payable are lower by $125,000 at $289,017 and a bank overdraft of $351 makes its first appearance. During the year there were redeemed $74,000 of 6 per cent debentures leaving outstanding $5,280,000. Minority interest in subsidiary companies has been reduced by $60,000 to $389,406. Preferred and common shares of Dominion Tar are unchanged but there have been redeemed $25,400 of Alberta Wood Preserving preferred leaving $335,000 outstanding.

In his remarks to shareholders, Lionel P. Walsh, president of the company, said in part:

"The severe contraction in business and industrial activities during the past year has also affected your company to a marked degree. During the second quarter of the year it became evident that the volume of business and earnings would show a considerable decrease and in consequence your directors took the precaution of deferring dividends upon the preference shares in order to conserve the working capital of your company. At the same time the steps that had been already taken to consolidate and readjust the management of your companies were accelerated and enlarged to effect the utmost economy in the administration.

"While business is not unsatisfactory in certain lines which contribute in a lesser degree to your company's earnings, the general expectation must be that business in 1933 will be of less volume than in the past year which, it is hoped, will be offset by the savings in operating and administration now being felt in their entirety."

## JANUARY PERMITS LOWEST IN DECADE

### Decline From December is Less Than Usual Seasonal Loss, However

While January building permits awarded in 61 cities in Canada dropped to the insignificant total of $1,163,878, some small modicum of cheer can be gleaned by noting that the decrease from the previous month is not as large as the usual seasonal decline. The small January total, which compares with $2,762,000 in January, 1932, and nearly $8,500,000 in the same month of 1931, emphasizes the tremendous decline in construction activity already noted in the January report on construction contracts awarded (The Financial Post, Feb. 4).

The permit for the Canadian Pacific Railway station at Regina issued in January for $243,000 made the total for that city greater than in January, 1932, but this was the only city to attain this distinction. This one contract also had sufficient influence to make Saskatchewan total higher than a year ago.

On the base of January, 1926, equals 100, the index for January permits is 24.7 compared with 58.5 in 1932. Permits issued in leading cities were valued as follows:

Building Permits Issued

| | Jan. 1933 | Jan. 1932 |
|---|---|---|
| | $ | $ |
| Halifax | 37,290 | 64,786 |
| Saint John | 5,680 | 7,740 |
| Montreal | 308,190 | 865,360 |
| Quebec | 11,875 | 34,865 |
| Hamilton | 39,100 | 79,750 |
| London | 29,715 | 69,380 |
| Ottawa | 11,450 | 82,690 |
| Toronto | 134,050 | 540,696 |
| York & East York Townships | 52,720 | 132,059 |
| Winnipeg | 15,850 | 105,000 |
| Regina | 255,611 | 30,390 |
| Calgary | 14,591 | 43,851 |
| Edmonton | 6,110 | 22,700 |
| Vancouver | 145,230 | 339,360 |
| Victoria | 19,723 | 17,570 |

### Newsprint Production Gained

Production of newsprint by the Canadian mills in January was a little higher than in December, according to the Newsprint Service Bureau. Canada's output was 140,539 tons against 138,682 tons in December and 171,321 tons in January last year. Shipments from Canadian mills were slightly lower in January at 133,056 tons, against 138,682 tons in December, and 171,843 tons in January, 1932.

# Management Policies That Made Goodyear Are Being Continued

### New Gen. Mgr. and President Have Worked Together 13 Years

### CASH AND FORESIGHT

### Built Up Reserve Millions When Times Were Good; World Business Started in Small Office

**Goodyear Tire & Rubber Co. will be carried on in future under the same management policies that have made it one of Canada's most astounding business achievements. The names "C. H. Carlisle" and "Goodyear of Canada," which have hitherto inevitably suggested each other whenever either was mentioned in business circles, will still suggest each other because Mr. C. H. Carlisle, as president, is still very much in evidence in the affairs of the company, just as much in evidence as when up to a week ago he was both president and general manager.**

The name of the new general manager, "R. C. Berkinshaw," will in future mean more and more to the public, but in the affairs and policies of the company it just means that Mr. Berkinshaw is continuing to give in increasing measure that absorbing and efficient attention to the affairs of the company which he has been giving and which brought him to his present post after 13 years of close association with Mr. Carlisle. He has been very much on the job ever since he joined Goodyear of Canada to take charge of the legal department at the close of the war. He has served successively as secretary, treasurer and as assistant to the president. He has in this time had intimate dealings with every phase of the business and the principles on which it has been built. He is a tried executive, as everyone in the industry knows.

#### Building on Personnel

High among the resources of his company Mr. Carlisle has always reckoned its personnel. In choosing men for all positions from the lowest to the highest he has looked for honesty, industry, intelligence, knowledge, experience. He has wanted men as well as materials that could be depended on. In Mr. Berkinshaw, Mr. Carlisle told his shareholders, he found all these qualities and that keen analytic mind and good judgment which the executive must have in addition.

There is no more important consideration for the investor or the shareholder than the quality of the personnel and especially of the management. And at this important stage in the history of Goodyear of Canada it is timely to study the history of the company through its 23 years from this angle. This company is one of the most conspicuous examples of the advantages arising from good management and one of the tests of good management is in the quality of personnel chosen. Goodyear in that respect is where it has always been. It has held the loyalty and respect along with the services of its managers and men.

#### Managers Stick to Company

Witness E. H. Koken, 36 years with the rubber industry and general superintendent of Goodyear's rubber plants since 1913 and of the cotton mill from the beginning seven years ago. "He has given the company exceptionally efficient service," says Mr. Carlisle.

Witness D. J. McCarthy, sales manager; he has been 20 years with the company, 13 years as assistant sales manager and four years as general sales manager.

Witness G. L. McCrea, in charge of the mechanical department; he has been with the company almost from the outset in 1910.

Witness R. W. Richards, assistant sales manager; R. P. D. Graham, who has charge of the export department, and C. S. Watson, advertising manager: "These men," says Mr. Carlisle, "have given the company long and valuable service."

All through the many ramifications of the great organization built up by Mr. Carlisle and his aides, the policy is followed of training likely men so that in case of a vacancy the management of any department can be taken over at once and efficiently. He has seen to it that that is as true of himself as general manager as of any other manager in the concern. Mr. Berkinshaw has evidently been his answer to the problem of having somebody able to take his own place. It is, therefore, a reassuring appointment for 3,783 shareholders, of whom 3,552 reside in Canada.

It is worth studying the history of Goodyear from the beginning to see what part management had in bringing the company to its present position. Starting from almost nothing in 1910 and managed by a man who had had only 18 months in the rubber industry and who before that had been for ten years superintendent of schools in Ohio, why should this company have come to the heights while dozens of others with equal opportunities, if management be eliminated, fell by the wayside? The trend was with the industry it is true; the quick spread of good roads, and of motor cars to speed along them, gave the tire and rubber industry a wonderful opportunity as it did the oil industry and the automobile industry and yet the casualties have been many and the survivors few in all of these. Why?

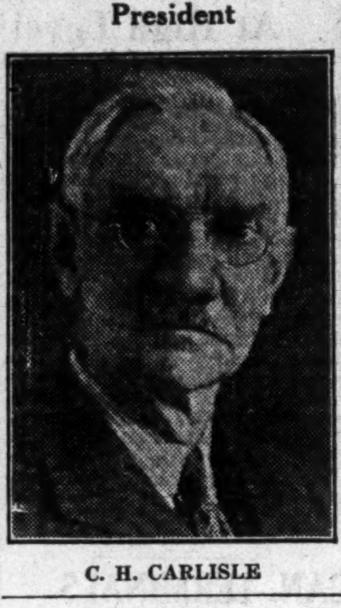
#### Began in Small Way

When C. H. Carlisle, present president, started the company at 85 Queen St., in a room 30 by 80 ft., with a basement of the same size, the company had less than $100,000 of merchandise purchased from the Goodyear Akron Co. Because he had not enough goods to fill that room, he put a railing across the centre, using the front part for a display and reception room. The slender resources of the company were even taxed for a big gold trademark sign on the window.

In 1911, one year later, the company bought the assets of the Durham Rubber Co., at Bowmanville, which had been losing money, for $100,000, borrowed from the old Standard Bank and stock in Goodyear Tire & Rubber Co. for the balance.

Contrast that perilous beginning

#### President



C. H. CARLISLE

in a plant that had lost money under other auspices and with $100,000 owing to the bank, with its 1932 balance sheet, showing after three years of business maladjustment cash, call loan and bond resources of six and a half million dollars and a surplus considerably in excess of seven million dollars. Not a dollar was owed to banks.

#### Secrets of Success

Ask C. H. Carlisle himself, as the writer did the other day, how he and those he gathered around him in the course of these 23 years have been able to accomplish such a marvellous transformation, and he will say:

"There is no miracle. We worked hard then as we do now. We did all our thinking and planning before we acted on large-scale plans and then adhered to them. We made it a point throughout this whole period never to do business except at a profit but we also made it a point to make that profit so reasonable for an efficiently conducted business that it would not invite competition. We strove continuously to give both the worker and the consumer the advantage of improved machinery, plant, quality. In war years we made no profits on goods sold for war purposes because we did not believe in profiteering at such a time. And in the banner years following the post-war depression, we realized that such times could not last forever and acted accordingly."

#### Management Policies

That last sentence contains the secret of why the company entered the depression period "so well heeled." It is common knowledge on the street that great pressure was exerted on C. H. Carlisle during the boom days to split the common stock of Goodyear Tire, to declare a large cash bonus on the common stock from surplus earnings and to expend some of the millions of dollars saved in various ways. He resisted all these importunities on the ground that much of the business activity of the time was not well-judged, that the times were not normal except for a period following a great war, that international and other debt policies were bound to eventuate in trouble and that the stock exchange excesses of 1928 and 1929 were very dangerous. The result justified his opinion and the company has therefore been in a position to face the peculiarly difficult problems of the readjustment period in a way to strengthen its position in the industry at large. It has profited because its president had a historic sense.

Common shareholders did without dividends from 1910 to 1927 except for a stock dividend in 1912 and valuable rights given in 1927 to shareholders to purchase 1½ additional shares for each share held. This was adjusting their holdings to the increased equity. Large bonus payments were made in 1927, 1928 and 1929 but earnings were more than twice payments. It was on this basis that he was urged to split the common in 1928 and 1929 and make spectacular payments.

#### "Well Planned" is Half Won

In Mr. Carlisle's opinion there is not enough hard thinking and planning in business. Just as an architect's plan for a house should be studied carefully and all alterations made in the plans before building commences, if one is to avoid great expense afterward, business plans should be so carefully studied that they can be followed undeviatingly afterward. He has no use for management from day to day, for the manager that does not provide against all possible contingencies before they arise, or for routine management of any kind. Planning is the business man's compass through the storm and obscurity.

In that first office at 85 Queen Street, Toronto, enterprise and hard work and planning made themselves evident at once. For example, Mr. Carlisle installed then what was probably the first automatic air pump for inflating tires in Toronto and in Canada. An old clock face with its minute hand was worked into service as an indicator and the clock mechanism used in a most ingenious manner to give automatic control in starting and stopping a motor, thereby regulating the high and low pressure in the air storage tank. That home-made automatic air pump, soon superseded, nevertheless explains much of the later success.

To save expense and space in those first days, Mr. Carlisle had a shelf 18 feet by 20 inches wide built instead of typewriter desks. On this the typewriters were placed as close as they could be set.

#### Swift Growing

The office opened with a staff of half a dozen; compare that with the 4,000 employees employed by the company at the peak. Hard work, including two or three nights a week in earlier years, made the business grow from this small beginning. Soon the company leased a loft on the third story of a building on Victoria Street, just north of Queen Street, Toronto. That did not long meet the demands of the growing business and the company bought the land and erected the present office building at 152 Simcoe Street.

#### Won Where Others Lost

All the manufacturing was then done in the plant bought at Bowmanville. Pneumatic and solid tires, tire accessories and a full line of mechanical goods such as belting, hose, packing and molded goods were made there. The plant was added to until now it contains 165,000 feet of floor space. To house the staff 50 houses were built at Bowmanville; a hotel was also bought and used to accommodate workers; but all facilities became inadequate and manufacturing was really started at New Toronto because the company was crowded out of Bowmanville. Workers were lodging as many as four to a room in spite of the company houses. No money was made by the company on the houses, which were sold to employees and others at cost.

The company's main plant at New Toronto is of heavy steel construction, has 745,000 square feet of floor space and is equipped with latest machinery. This building was entirely erected by the company on its own 27 acres and is devoted entirely to making the tires, while the Bowmanville plant has continued busy in making mechanical rubber goods.

Just as the company secured a favorable arrangement at Bowmanville in 1911 by looking around for a good plant being worked unprofitably, it repeated this strategy again in 1926 when it desired a source of cotton fabric under its control. It found the Canadian Manhasset Cotton Co. operating at a loss a splendid plant at Ste. Hyacinthe, Que., which cost the Manhasset Co. $1,400,000 to build and equip. Goodyear obtained this plant for $750,000 and paid for it in stocks and bonds of Goodyear Cotton Co. of Canada, formed to take over the property. Thus it did not have to pay out any cash for a plant covering 9.39 acres of floor space, and the plant has shown constant and satisfactory earnings from the beginning. It has modern machinery, 42,000 spindles and can produce monthly 850,000 pounds of fabric.

#### Takes Few Holidays

Another ingredient of the good management which has made Goodyear so successful has been that its affairs, prospects, problems, have had unremitting attention. C. H. Carlisle himself has rarely taken a holiday. His only vacation has been a week's hunting and fishing and in some years not even that. And even on these trips he has never been out of touch with the company and its affairs.

From the beginning Mr. Carlisle knew that every company is vulnerable until it is properly financed. In the early stages his management produced confidence in bankers and investors, and during the later growth this confidence was justified by his insistence on paying off every possible debt and the establishment of a liquid position of enviable strength.

Asked what he would consider a reasonable profit for a company, Mr. Carlisle told The Financial Post that the most money made by Goodyear in any year was 6¼ per cent on sales. He thought that most companies would not want to risk as low a profit as that. Goods in that year were turned over about 11 times, a result that could not have been attained if prices had been kept high to get a large profit.

"There is not a single year since we have been in business that we have not done a larger share of the available business than the year before," said Mr. Carlisle. "I do not mean that we did more business in 1932 than in 1929 or 1931. We know what business was done in each of those years, however, and we got a larger share in each year.

#### General Manager

R. C. BERKINSHAW

#### See New Period Ahead

"As to foreign business, we shipped at one time to 87 countries. We cannot do that now because there is no dependable medium of exchange. Our raw materials were not bought in Canada, but we have bought rubber in London and cotton in Liverpool and used them in tires which we sold in England for a larger profit than we made in Canada."

Neither Mr. Carlisle nor Mr. Berkinshaw are treating the present times as abnormal. Their policies and plans take full account of the business maladjustment apparent everywhere in the world and the few real remedial measures taken to correct the situation. They have said good-by to the prices and conditions of 1928 and 1929. That period, they believe, is closed and a new period for good or ill stretches ahead of all business.

## Trans-Canada Shows Drop in Net Premiums

From Our Own Correspondent

MONTREAL.—Net premiums written of $422,499 compared with $609,086 are revealed in the financial statement of Trans-Canada Insurance Co. for 1932. Claims paid and outstanding are shown at $291,543; net losses in 1931 were $420,369. The company reported an underwriting gain of $30,724 against a loss of $90,379 in the previous year and a net gain of $91,249 is shown compared with a net loss of $28,818 for 1931.

Effects of a further call on shareholders is reflected in the statement which shows $39,920 paid on capital last year, bringing total paid to $199,860 of a subscribed capital of $666,200. Interest and dividends earned totalled $24,336, an increase of $5,000, while the loss in authorized value of investments was $2,359 contrasted with $17,530 in 1931.

Balance sheet reveals investment securities at $450,966, a decrease of about $3,000 (at authorized values). Surplus assets over liabilities, exclusive of capital stock, is $205,985 up from $114,735.

## Canadian National Rly. Deficit Up in January

From Our Own Correspondent

MONTREAL.—For the first month of the current year the Canadian National Railways report a greater drop in operating revenues than in expenses, with the result that January returns are on a lower basis than for the same month a year ago.

Gross revenues for the month amounted to $8,455,899, a decrease of $2,492,430 in January, 1931. Operating expenses were cut from $11,536,451 to $9,876,747. This left a deficit for January, 1932, of $1,420,848, compared with a deficit of $588,122 for the first month last year.

## Expect Canada Forgings to Report Loss for 1932

From Our Own Correspondent

MONTREAL.—Financial statement of Canada Foundries and Forgings which will be published shortly is expected to reveal a loss on operations in 1932. Company's plant activities have been at a low ebb during the past year and little improvement over the loss of $34,390 reported in 1931 is anticipated.

Liquid position is understood to have been relatively well maintained. At the close of 1931 current assets were $714,224 against current liabilities of $53,374.

## C. I. L. EARNINGS DROP $1 SHARE FOR PAST YEAR

### Strong Liquid Position Revealed by Balance Sheet

From Our Own Correspondent

MONTREAL.—Revenues of Canadian Industries Ltd., principal heavy chemical manufacturer in the Dominion, were reasonably well maintained in 1932, though after the payment of all charges, including dividends on the common stock, a small deficit of $67,730 was recorded. This compares with a surplus of $102,553, after the payment of larger dividends, in 1931.

Hardly a division of the company went unaffected last year. A decrease in sales volume in some of the company's regular lines—particularly in blasting explosives in the latter half of the year—resulted in a decrease of 11 per cent in the dollar value of sales as compared with 1931.

#### Special Income Lower

Income from investments was approximately 19 per cent below that of the previous year, the decline being mainly due to the reduced dividends received on the company's holdings of common stock in General Motors Corp. The company also has large holdings in the Dunlop Tire and Rubber Co., upon which no dividends were paid in 1932.

#### Share Earnings $3.65

Particulars of the income account which shows share earnings at $3.65 against $4.65 in 1931, follows:

| | 1932 | 1931 | 1930 |
|---|---|---|---|
| | $ | $ | $ |
| Income from: | | | |
| Oper. ..... | 2,066,561 | 2,539,928 | 2,707,205 |
| Invest. .... | 706,389 | 875,817 | 970,205 |
| Realiz. as . | 1,238 | 27,795 | 34,633 |
| Total inc. | 2,771,661 | 3,433,540 | 3,712,044 |
| Pfd. divid. | 325,500 | 325,500 | 325,000 |
| Balance .. | 2,446,161 | 3,108,040 | 3,386,544 |
| Com. div. | 2,513,891 | 3,005,487 | 3,328,457 |
| Surplus ... | *67,730 | 102,553 | 58,087 |
| Prev. surp. | 11,228,920 | x12,326,368 | 12,342,879 |
| Totals .. | 11,161,190 | 12,428,921 | 12,400,966 |
| Deduct. ... | ††69,251 | ‡1,200,000 | ...... |
| P. & L. Bal. .... | 11,091,939 | 11,228,921 | 12,400,966 |

x After adjustment for income tax affecting prior period.

‡Provision for depreciation of government and other securities.

*Debit.

††Additional income tax for 1931.

Working Capital Position

| | 1932 | 1931 | 1930 |
|---|---|---|---|
| | $ | $ | $ |
| Curr assets | 15,122,646 | 15,986,470 | 17,819,228 |
| Curr. liabs. | 1,662,718 | 2,104,384 | 2,340,251 |
| Work cap. | 13,459,928 | 13,882,086 | 15,478,977 |

#### Assets Are Larger

The balance sheet at December 31, 1932, shows that the company was able to continue a strong working capital position as outlined above. Assets increased in value from $47,363,300 to $47,807,243.

Trust notes outstanding on Canadian Salt Equipment were reduced 50 per cent during the year to $14,000. The balance will be redeemed this year. Reserves have been strengthened. Accidents, pensions and benefit plans fund has been increased from $1,877,013 to $1,965,874. Reserve for depreciation of government and other securities has declined slightly, while depreciation of plants and equipment has been increased from $7,388,237 to $8,217,272.

#### Buy Govt. Securities

Principal changes among assets cover an increase in government securities from $5,774,178 to $6,318,248. Investments show a moderate increase at $5,706,079, being divided —$3,930,510 in securities held for investment and $1,775,569 securities held in trust for employees' welfare plans.

Investment in plant has increased from $22,086,504 to $23,135,051, while goodwill, patents and processes are carried on the books at the same figure.

## BETTER YEAR IS SHOWN IN REPORT TORONTO GENERAL

### Volume Down; Loss Ratio Lower in Past Year

Considerable improvement in loss ratio, reduction in underwriting loss as compared with 1931 and a slight gain in surplus is shown in the annual report of Toronto General Insurance Co. for 1932. Net underwriting loss declined from $89,000 a year ago to $43,000; surplus increased by $1,000 to $309,000 and loss ratio for all business on the basis of net losses incurred to net premiums earned, dropped from 67 per cent to 55.9 per cent.

Analysis of the company's underwriting accounts reveals that net premiums written amounted to only $606,000 a reduction of almost one-third from the previous year. This was due partly to lower fire income but almost entirely to loss of workmen's compensation business in Quebec province. Automobile premiums written showed an increase of over 30,000 during the year. Favorable loss ratios in automobile and casualty departments were offset by a heavy loss ratio (70 per cent on an earned premium basis) in the fire department due to an extraordinary large number of small claims principally of the dwelling class in Quebec province.

#### Expenses Kept Down

Expenses were kept at a low figure, savings having been effected in spite of an increase in taxation of nearly 2 per cent. Assets show little change at $1,139,000. All assets have been valuated on the basis provided for under the Ontario Insurance Act and provision has been made for outstanding and unreported claims, and other contingencies.

Comparative figures follow:

| | 1932 | 1931 |
|---|---|---|
| Fire | $ | $ |
| Net prems. written | 142,928 | 160,021 |
| Net parems. earned | 158,318 | 167,181 |
| Net losses inc. ... | 111,969 | 124,365 |
| Earned loss ratio .. | 70% | 74.41% |
| Automobile | | |
| Net prems. written | 311,179 | 278,671 |
| Net prems. earned | 305,829 | 292,377 |
| Net losses inc. | 140,910 | 154,038 |
| Earned loss ratio .. | 46% | 52.68% |
| Total Business | | |
| Net prems. written | 606,235 | 948,612 |
| Net prems. earned | 622,615 | 985,505 |
| Net losses inc. .. . | 346,988 | 660,082 |
| Earned loss ratio | 55.9% | 67% |
| Assets ............... | 1,138,981 | 1,283,159 |
| Surplus ............... | 308,834 | 307,836 |
| Net und. loss ....... | 43,086 | 89,082 |
| Net loss ............. | 7,779 | 47,367 |

## NEWS FROM Canada's Capitals

**A week-by-week summary from Ottawa and the provincial capitals of legislative developments of interest to business.**

### Dominion Parliament

OTTAWA.—Highlights of the week in Dominion Parliament were:

**Monday, Feb. 20** — Mr. Bennett tabled St. Lawrence Treaty correspondence. William Duff, Liberal, Antigonish-Guysboro, introduced a resolution recommending negotiations with the United States for a reciprocal trade arrangement in natural products. During debate Mr. Bennett announced government ready and willing to enter into such negotiations with U. S. A.

**Tuesday, Feb. 21** — Hon. Wesley Gordon introduced bill extending Unemployment Relief Act of 1932 until March 31, 1934. On a motion to go into supply, A. W. Neill, independent, Comox-Alberni, precipitated debate on Pacific Coast fisheries. Charged government with breach of faith in having suddenly by order-in-council changed regulations governing salmon canning.

Senate—Rt. Hon. Arthur Meighen introduced a number of amendments to the railway bill. Senator Rufus Pope declared that private capitalists in Canada were prepared to purchase National railways and operate it as a private road.

**Wednesday, Feb. 22**—Mr. Bennett announces appointment of a Royal Commission to investigate the financial situation and prospects of Newfoundland. Resolution calling for construction of the Peace River Railway outlet defeated. Mr. Bennett says policy of paying the exchange premium to gold producers will be continued. Mr. Bennett gives notice of a motion instructing the Agricultural committee to enquire into the spread in the price of milk between producers and consumers.

Banking and Commerce committee to proceed with the enquiry into interest rates.

**Thursday, Feb. 23**—Amendment to the Railway Act providing for a reduction in domestic westbound rates on grain defeated. Mr. Manion explains that the railways voluntarily have agreed to reduce these rates. Woodsworth's amendment to the Criminal Code is killed when Hon. Hugh Guthrie's motion of the six months' hoist is carried.

Senate—Senators adopt the railway bill on division. Senate adjourned until March.

**Friday, Feb. 24**—Hon. E. N. Rhodes announced that the government has not been a party to any exchange stabilization operations at New York. Hon. W. A. Gordon, minister of labor, introduces bill to extend the life of the Relief Act of 1932 until March 31, 1934. He makes annual statement on relief expenditures and policies. In the year ending March 31, next, Federal expenditures will be something less than $25,000,000, against $46,000,000 in the preceding year. Number in receipt of relief in January was 1,357,062.

**Monday, Feb. 27**—Mackenzie King announced a new national platform for the Liberal party.

**Tuesday, Feb. 28**—Commons passed legislation continuing the ten per cent reduction of civil service salaries and the salaries of judges, the military and the R. C. M. P. Estimates of the Marine department are considered. Agricultural committee launches the investigation into the spread of milk prices.

### Quebec

QUEBEC.—A series of measures to amend municipal laws of Quebec Province are expected to be brought before the legislature by Premier Taschereau. Object of the bill will be to tighten up control of the Quebec Municipal Commission over defaulting municipalities and to protect the latter against excessive costs when properties have to be sold for taxes.

At present no municipality can borrow on short-term loan more than a percentage of its receipts. This makes for difficulty since tax collections are poor and more money must be spent on unemployment relief. One amendment will enable municipalities to borrow for pressing needs, regardless of tax collections, with permission of the Quebec Municipal Commission.

Under present conditions, notes for renewal of temporary loans by municipalities do not come under supervision of the commission. By an amendment to be presented they will be considered as new loans and must be approved by the commission. By another amendment the commission would be authorized to order sale of properties for unpaid taxes at any time, by officers appointed by it. To reduce costs, sales would be announced free of charge in the Quebec Official Gazette.

### Ontario

TORONTO, Feb. 22—Bill to control collection agencies introduced by Premier Henry, and received second reading.

**Feb. 23** — Premier Henry attacked members who had suggested that his connection with Toronto Mortgage Co. was shady. Order paper deluged with questions from Liberal members.

**Feb. 24**—Hydro probe cost $15,102, Premier stated in reply to a question. Announced that George Shields would introduce bill to authorize income surtax by municipalities.

**Feb. 27**—Mitchell F. Hepburn, Liberal leader, joined Harry C. Nixon, progressive leader in fight against government. He thereby threw over W. E. N. Sinclair and his announcement that Liberal party would cooperate with government.

**Feb. 28**—Debate on relief distribution precipitated by A. V. Waters, Conservative, Cochrane North. Mr. Waters stated that medical attention was urgently needed but relief would not pay doctors.

### Manitoba

WINNIPEG, Feb. 20 — Premier announced that the government would budget for a deficit of $2,500,000 instead of increasing taxes. Evening session held to speed work.

**Feb. 22**—Second reading of bills on hospital aid and mental defectives.

**Feb. 23**—Address in reply to speech from throne adopted. Conservatives again expressed willingness to work with government.

**Feb. 24**—Select standing committee nominated to enquire into rural problems, including marketing or produce, lowering of interest rates and debt adjustment.

### Saskatchewan

REGINA, Feb. 17—Private bills received attention of house. Premier Anderson appealed to press to refrain from publishing rumors of coming legislation.

**Feb. 21**—Press excluded from agricultural relief discussions. Hon. M. A. McPherson tabled provincial budget. Revenue and express over $16,000,000; surplus of $4,005.

**Feb. 22** — House in committee to further small bills.

**Feb. 23**—Bank Act under discussion, Dr. H. R. Smith moved that the next revision of Bank Act should provide for control of currency and credit by the state.

**Feb. 24**—Attack on amount spent on relief made by W. J. Patterson, Liberal. Costs could have been halved, he said.

### Alberta

EDMONTON, Feb. 17—John Irwin, Conservative, would license all stores so that price cutting could be controlled. Highway costs tabled by minister of public works.

**Feb. 20**—Donald Cameron, U.F.A., attacked financiers and said farmers cannot be expected to pay their debts.

**Feb. 21**—Hon. George Hoadley gave summary of agriculture in Canada and province Farmers' homes and farms would be protected, he said.

**Feb. 22**—F. C. Moyer, Independents' leader, called for co-operation of all parties for solution of troubles. H. J. Montgomery, Liberal, urged reduction in auto license costs.

**Feb. 23**—Debate on proposal that uniform school courses be established in public and high schools in all provinces.

## *Three Treaties With France In Final Stages at Ottawa*

From Our Own Correspondent

OTTAWA.—Three treaties with France are in the final stages of negotiation.

They represent the work of Hon. C. H. Cahan, secretary of state, who spent several months at Paris and Geneva last year.

It is understood these treaties cover: a trade pact; a settlement of disputed points with respect to taxation of banks; and an agreement with respect to nationals.

The trade treaty is understood to be of an all inclusive character, embracing more tariff schedules than were covered in Ottawa treaties. The provisions of this treaty are presently being examined by the tariff experts of the Government and final endorsation by the cabinet will be withheld until these experts have made their reports. As nearly as may be learned the treaty does not sacrifice the interests of any Canadian industry, but does offer reasonable trade opportunities to France. In return, it is learned, advantages have been gained for Canadian primary producers.

#### France Taxing Banks

The treaty with respect to taxation of banks reveals a difficulty which few knew to exist. Apparently the French Government has been asserting the right to tax all Canadian banks operating in the Republic upon their total income, regardless of territorial considerations. The treaty, it is believed, exempts the banks from taxation except with regard to earnings within the Republic.

Very little is yet known with respect to the Nationals treaty. Problems of this sort have occupied a great deal of Mr. Cahan's time in the past two years and the treaty with France is probably only the forerunner to similar treaties with other countries.

## OTTAWA POWER HOLDS EARNINGS NEAR 1931 LEVEL

### Share Earnings Equal $5.50 Against Dividends of $6

From Our Own Correspondent

MONTREAL. — Earnings of Ottawa Light, Heat and Power Co. last year were equivalent to $5.50 a share compared with dividend payments of $6 a share, resulting in a deficit of $17,345. Had it not been for the payment of some $25,000 as premium on United States funds purchased, the common dividend would have been earned by a small margin.

Operating revenues of Ottawa Power were well maintained last year, gross income dropping only a few thousand. Expenses were relatively the same. During the current year it is expected that economies totalling $100,000 will be effected. Preliminary budget figures for 1933 place gross income at $50,000 less than in 1932. With the savings planned, some of which have already been put in force, net operating income is expected to be $50,000 greater this year, or equal to $1.43 a share on the common stock.

#### Small Deficit Shown

Details of the income account over the past two years follows:

| | 1932 | 1931 |
|---|---|---|
| | $ | $ |
| Gross income ....... | 2,284,044 | 2,290,813 |
| Less: Expen. ....... | 1,433,421 | 1,445,701 |
| Taxes ............. | 167,517 | 160,060 |
| Net earnings ....... | 683,106 | 685,052 |
| Less: | | |
| Bond interest ..... | 241,981 | 217,180 |
| Gen. interest ...... | 8,537 | 3,632 |
| U. S. exchange .... | 24,556 | ...... |
| Depreciation ...... | 135,000 | 135,000 |
| Net profits ......... | 290,155 | 329,240 |
| Less: | | |
| Pfd. divids. ....... | 97,500 | 97,500 |
| Com. divids. ...... | 210,000 | 210,000 |
| Balance ............. | *17,345 | 21,740 |
| Brt. forward ....... | 290,135 | 282,200 |
| Adjustments ........ | 20,622 | 16,806 |
| Car forward ........ | 252,128 | 290,136 |

*Deficit.

The financial statement shows an increase in assets during the year from $13,787,752 to $14,058,339. The company's own funded debt has been reduced from $4,076,500 to $4,025,000. Ottawa Electric has outstanding $625,000 of bonds which mature at mid-year. Arrangements have been made to redeem these bonds. There is no change in the funded debt of Ottawa Gas.

#### Bank Loans Cleared

Among the current liabilities, totalling $554,156, are bank loans of $265,000. Since the beginning of the year these loans have been cleared up.

The only change of importance among assets is an increase in fixed assets from $12,401,466 to $12,539,435.

At the annual meeting of the company two new directors were elected —P. R. Walters and Hugh MacKay, of Montreal.

## Montreal Plans Loans Totalling $8,800,000

From Our Own Correspondent

MONTREAL. — Initial steps have been taken by the City of Montreal toward securing loans totalling $8,800,000. These are:

1—An option given to the Bank of Montreal and the Canadienne Nationale, as the city's agents, to market through a syndicate of which the Bank of Montreal is appointed general manager, a loan of $7,000,000 in 12-year bonds at 5 per cent Canadian funds. The option lasts till March 29 but may be extended by the general manager for another sixty days. The loan will go on the market at the time chosen by the city agents; arrangements were reported as practically complete.

2—A by-law is provided for to borrow $1,200,000 at not over 6 per cent for not more than 40 years; renewals of two 40-year loans for which no sinking fund was provided in 1893. May 1 is maturity date.

3—A by-law is approved borrowing $600,000 at not more than 6 per cent for not more than 40 years; $500,000 for waterpipe laying and $100,000 for urgent needs of the city.

L. F. Philie, city treasurer, in reporting to the executive committee on the $7,000,000 loan proposal, enumerated the city's loan needs this year for normal purposes as totalling $13,016,500; that takes no account of the proposed $13,500,000 loan under the new financing scheme now going before the Quebec Legislature.

## NOTICES

WANTED—SALES OPPORTUNITY

Canadian, 39, seven years executive and sales experience, intimate knowledge Western Agriculture, seeks new connection with sound and progressive business house. Excellent references. Apply Box 108, The Financial Post, Toronto.

### The Montreal Cottons Limited

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of the Shareholders of this Company, will be held at the Company's Office, 6th Floor, Mark Fisher Building, Victoria Square, Montreal, on Wednesday, the 15th day of March, nineteen hundred and thirty-three, at the hour of Twelve thirty o'clock, P.M., to receive the Annual Report of Directors, balance sheet, statement and Auditors' Report required by the Companies' Act, Canada, to elect Directors, to appoint Auditors for the ensuing year and to transact such other business as may properly come before the meeting.

By order,
HUGH A. WILSON,
Secretary-Treasurer.

Montreal, February 28th, 1933.

### THE BELL TELEPHONE COMPANY OF CANADA

Notice of Dividend

A dividend of one and one-half per cent (1.50%) has been declared payable on the 15th of April, 1933, to shareholders of record at the close of business on the 23rd of March, 1933.

W. H. BLACK,
Secretary-Treasurer.

Montreal, 23rd February, 1933.

## DIVIDEND NOTICES

### The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st March, 1933, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Saturday, the 1st day of April, 1933, to shareholders of record of the 20th March, 1933.

By Order of the Board.
DUDLEY DAWSON,
General Manager.

Toronto, 16th February, 1933.

### The Ontario Loan and Debenture Company

183rd DIVIDEND

Notice is hereby given that a QUARTERLY DIVIDEND of 3 per cent for the current quarter ending 31st March, 1933 (being at the rate of 12 per cent per annum) has been declared on the paid up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on or after the 1st April, 1933, to Shareholders of record of the 15th March, 1933.

BY ORDER of the Board
T. H. MAIN, Manager.

London, Ontario, 28th February, 1933.

### Canada Permanent Mortgage Corporation

Quarterly Dividend

Notice is hereby given that a Dividend of TWO and ONE-HALF PER CENT for the current quarter, being at the rate of

TEN PER CENT PER ANNUM

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

SATURDAY, THE FIRST DAY OF APRIL

next, to Shareholders of record at the close of business on the Fifteenth day of March, 1933.

By order of the Board.
WALTER F. WATKINS,
Secretary.

Toronto, February 22nd, 1933.

PRUE COTTONS

Manufacturers of INDUSTRIAL and HOUSEHOLD Cottons in Canada for over TWENTY-FIVE YEARS

DOMINION TEXTILE Company Limited

MONTREAL
TORONTO
WINNIPEG
VANCOUVER

BY APPOINTMENT TO HIS MAJESTY THE KING
ICH DIEN
BY APPOINTMENT TO H.R.H. THE PRINCE OF WALES
CAMPBELL CHOSE Castrol
FOLLOW THE EXPERTS' LEAD

# Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

## Auditor is Watch-Dog Not Blood Hound

Judge Finds That Honesty and Reasonable Care Essential—Enquirer Says Faulty Paramount Balance Sheet Caused Canadians Heavy Losses

I have been very much interested in your articles concerning the advisability of having shareholders' auditors appointed in a manner which would make them give clear and informative reports to shareholders.

As things are the most valuable work of auditors is done in the dark as far as shareholders are concerned. I mean that it is almost unheard of to find an auditor's certificate expressing direct criticism of any part of a balance sheet. There are qualifying phrases sometimes where the auditor says a balance sheet is correct in his opinion subject to certain valuations being correct or to depreciation or other reserves being sufficient or something of the kind. If he has doubts on these points, should he not state them definitely?

I am not a chartered accountant but I am a shareholder of several companies and though I have never had a report where an auditor objects to anything I have taken it for granted that they have earned their auditors' fees by making suggestions and getting balance sheet changed before they append their certificate. That is all right with me so long as the balance sheet gives a clear picture when I get it. But how can I be sure?

I am all for getting the law amended so that companies are obliged to give definite information as to their affairs along stricter lines to be set forth in the Companies Act and for auditors to be obliged to see that the companies live up to the low in this respect. As owners we shareholders get far too little information about our companies and a year is a long time to wait for it, but at least it ought to be complete when it does come.

Will you set out exactly what is an auditor's responsibility under the present law? It may be that we shareholders are too lax in always passing as a matter of form the resolution appointing our auditors. I for one have believed that in most cases we could depend on the professional standards of chartered accountants along with their liabilities whatever they are under the law. But I would like to know just how far an auditor is supposed to go and how much information he can give us.

I notice that in your last article you state that in the United States only balance sheet audits are required. Evidently they are not so thorough as in Canada. I was one of those who exchanged Famous Players Canadian Corp. stock for Paramount stock and on the basis of the last financial statement of the company it was not an unreasonable thing to do. The auditor's certificate of a reputable firm of chartered accountants was on that balance sheet in 1930 and we are now told by lawyers of a protective committee that the consolidated balance sheet then shown did not truly represent the financial condition of the company. They showed as assets securities which had a contingent liability even greater and real estate valuations were obviously too high in the light of present knowledge. Should not auditors have been able to find out a thing like that and let us know? If they could have and did not do so it seems to me they are responsible for our losses.

### Has Heavy Responsibilities

Any chartered accountant who is appointed an auditor is shown by a number of court cases tried in Canada during this century to be taking heavy legal responsibilities. Clients have sued auditors, who were believed not to have performed their auditing duties effectively, and such failure has even been punished as a criminal offence in Canada. It may be argued with considerable point that these heavy penalties offset any influence which friendship or interest may exert towards negligent discharge of auditing duties. There is also more point still in the statement made by Professor R. H. G. Smails in his new book, "Auditing,"* to the effect that legal standards lag considerably behind professional standards of auditing. The certificate of a chartered accountant on a financial statement, he says, inspires more confidence because auditors have not been content to discharge merely their legal duties "but in consciousness of their great moral obligations have applied a degree of skill and care far exceeding that judicially demanded." The accountant, he states, goes beyond his duty of verifying financial statements as auditor and seeks to serve his client as consultant and adviser in the course of the formal audit. He often suggests improvements in the accounting methods, gives valuable advice as a tax expert and further interprets the financial statement by means of charts and comparative tables.

### Are Public Documents

Another opinion, previously quoted in The Financial Post, shows by implication the immense economic and political importance of freeing the auditor from any sense of pressure of a social or economic kind. Sir William Plender in 1926 had the following to say before the International Accountants Congress, Amsterdam: "Although the auditor is responsible primarily to the shareholders, yet in the light of modern company development a somewhat wider view should, I think, be taken by the auditor himself. He should remember that balance sheets of public companies are, for practical purposes, public documents; they are studied by the stock exchange and the prospective investor when forming an opinion as to the value of share and debenture capital; they are made available to traders as an indication of financial stability and they are used by the companies themselves when raising bank loans and making other financial arrangements. His object should be not merely to shield himself from legal consequences, but to realize and accept as the basis of his duty the most important moral responsibilities which the position involves."

### Looking For Facts

In a recent English case where Mr. Justice Romer attempted to define the duties of an auditor, further definition is given which is interesting in this connection. He said: "It is no part of an auditor's duty to give advice either to directors or shareholders as to what they ought to do. An auditor has nothing to do with the prudence or imprudence of making loans with or without security. It is nothing to him whether the business of a company is being conducted prudently or imprudently, profitably or unprofitably; it is nothing to him whether dividends are properly or improperly declared, provided he discharges his own duty to the shareholders. His business is to ascertain and to state the true financial position of the company at the time of the audit, and his duty is confined to that...He is not an insurer; he does not guarantee that the books do correctly show the true position of the company's affairs... He must be honest—that is, he must not certify what he does not believe to be true, and he must take reasonable care and skill before he believes that what he certifies is true. What is reasonable care in any particular case must depend upon the circumstance of that case. When there is nothing to excite suspicion very little enquiry will be reasonable and sufficient...where suspicion is aroused, more care is obviously necessary.

"It is the duty of an auditor to bring to bear in the work he has to perform that skill, care and caution which a reasonably competent, careful and cautious auditor would use... An auditor is not bound to be a detective..., to approach his work with suspicion or with a foregone conclusion that there is something wrong. He is a watchdog but not a bloodhound. He is not bound to assume that he is dealing with fraudulent and dishonest people... if circumstances of suspicion arise it is the duty of an auditor, insofar as these circumstances relate to the financial position of the company to probe them to the bottom."

An auditor does not discharge his duty according to this same judgment by giving just enough information to make his clients ask for more. In the case under trial the learned judge, for instance, did not think the auditor discharged his duty by stating in his certificate that "the value of loans and securities shown on the balance sheet was dependent upon realization." That might arouse the suspicion of another auditor but not of an ordinary person, and in any case the auditor's duty is to convey information, not to arouse inquiry.

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*"Auditing," by R. G. H. Smails, B.Sc., (Econ.) associate professor of commerce, Queen's University; member of the Institute of Chartered Accountants of Ontario and member of the Institute of Chartered Accountants in England and Wales, has been reviewed by The Dominion Association of Chartered Accountants which "considers it a valuable contribution to accounting literature in Canada." It is published by The Commercial Text Book Co., 383 Church St., Toronto, Ontario, and in its 421 pages fully justifies the enconiums of The Dominion Association. In this volume the value of audits, the responsibilities legal and professional and methods at the most important stages of auditing are dealt with at length and illustrated with carefully chosen and apt quotation. His book is an authoritative discussion of the existing situation.

### Great Lakes Paper

One of our clients has requested up-to-date information concerning the receivership of the Great Lakes Paper Co. We would like to know the most recent developments of the company in receivership and whether any plan of adjustment has been proposed.

Within the past four months the National Trust Co. acting as receiver and manager for Great Lakes Paper Co. has been able to secure newsprint contracts for the company sufficient to increase mill operations. This is the first time that Great Lakes Paper Co. has held newsprint contracts in its own name and while the price received per ton is low it is sufficient to enable the company to cover cost of operation and give hope that when conditions improve in the newsprint industry, Great Lakes Paper Co. can take advantage of any increase in price.

The company has recently called for tenders for construction of storage sheds and a conveyor and intends to transport its products by water. This will tend to reduce operating costs. Purchasing for the company is now being done from Fort William and operations are being concentrated in Canada. Formerly purchasing was done from Minneapolis. So far as we are aware, no plan of adjustment has as yet been proposed; certainly not to the bondholders.

### Wright Flexible

An estate I am handling includes some shares of Wright Flexible Axle Motors. Can you tell me if these shares have any value?

Wright Flexible Axle Motors Ltd. was wound up about a year ago, and we are informed that the estate comprised liabilities of over $1,000,000 against assets of $5,000. Shareholders, of course, got nothing and the company has finally gone out of existence.

### Dominion Bridge

Will you please tell me when the last dividend was paid on shares of Dominion Bridge Co.? When does the company usually pay and what was distributed last year?

Dominion Bridge Co. paid a dividend of 50 cents a share on its common stock on February 15th, and directors have also declared a similar dividend payable May 15th, 1933, to shareholders of record, April 29. In previous years, quarterly dividends have been paid in February, May, August, and November 15th. In the last fiscal year the company distributed $2.25 a share on its common, compared with earnings equal to $1.49 a share.

### McColl-Frontenac

I hold some bonds of McColl-Frontenac Oil Co. and am anxious to know whether earnings were great enough to cover bond interest last year. Has the company published its annual report?

Though McColl-Frontenac Oil Co. has not published its financial statement for the fiscal year ended January 31, 1933, our understanding is that earnings were maintained and profits were sufficient to cover bond interest requirements. Details, however, are not yet available. The company has expanded since its formation six years ago and now ranks among the leaders in this type of industry. Dividends on its common stock have been maintained to date.

### Wants to Re-invest

I have just sold a Dominion of Canada five per cent bond maturing in 1937 and wish to re-invest in a safe security with a longer maturity. Would you consider either Canada Steamship Lines five per cent bonds due 1943 or Steel Co. of Canada six per cent bonds due 1940 as safe investments? How would you compare New Brunswick or Nova Scotia bonds with bonds of Ontario as regards safety?

None of the bonds that you mention in your letter of January 30 would give you as high security as you had with your Dominion of Canada 5's of 1937. There is no comparison with the Steel Co. of Canada 6's of 1940 and Canada S. S. Lines 5 per cent consolidated mortgage debenture stock due 1943. The Steel Co. of Canada bonds are rated very high among Canadian industrial securities and at the present time are quoted at a premium of around 103 bid. On the other hand there is very little market for the bonds of Canada S. S. Lines due to the fact that earnings in the last two years of record have been far from satisfactory and in 1931 bond interest was barely earned before any provision for depreciation. Results for 1932 are not yet available. The company has a poor working capital position and a deficit in surplus account.

While operations of Steel Co. of Canada have been at a low level, the company is in a strong financial position and in 1931 bond interest 4.44 times after provision of $1,200,000 for depreciation. Bond interest amounted to less than $275,000 and the company has been retiring a substantial amount of bonds each year.

Bonds of the Province of Ontario have a high degree of marketability and the size and wealth of the province with corresponding high revenues give Ontario bonds a place in investment circles higher than bonds of the Maritime Provinces, which, however, are well regarded.

### Gregory Tire

I hold stock of Gregory Tire & Rubber Co. Have you any information regarding the financial position of this company? Has the stock any market value?

We have no recent information as to the Gregory Tire & Rubber Co. which was reorganized in 1926. We have never had a financial statement of this company and as far as we are aware there is no market for its shares. Accounts of shareholders' meetings in Vancouver as reported from time to time in western newspapers indicate that the company was not able to make a success sufficient to profit shareholders or even give them hope of recovery of their capital.

# Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

### Mining Companies Lead

When I accumulated my present holdings of stocks before 1929 I stuck conservatively, as I supposed to stocks of industrial, public utility, financial and commercial companies. I grew up in an atmosphere which regarded mining stocks as very speculative. However, there is one feature which disturbs me. Mining stocks apparently have much more marketability than industrial stocks and other stocks. In a time of poor business one would naturally expect any buying done to be in the stocks of companies which, if well run, might last for centuries. Every year a mining company must be that much nearer its end to the extent of the ore taken out and milled. Surely that is obvious to everyone. I am not against investing in mining stocks by those who can take the risk but under these circumstances why should the marketability at present be greater? Is this a temporary phase and can those who have stuck to other classes of stock expect a revival of marketability which is one of the chief requirements in a security bought either as speculation or investment?

The interest in gold stocks is directly a result of the fact that gold has been increasing in value for three years and that international debts make it necessary for governments to pay premiums whenever exchange rates fluctuate. Gold has a sure market and it is the one commodity which is not subject to over-production and will not be so long as the gold standard is tacitly recognized by the chief nations of the earth by accumulating and accepting the metal whenever or wherever offered.

One of the reasons for public participation in mining stocks in a larger degree than in others is that producing mining companies give monthly, quarterly and yearly information of the fullest kind, supplemented by government reports. Everybody knows the industry is speculative but they can see what is happening in the case of producers to a much larger extent than they can with other companies. Public interest and confidence is excited by what it feeds on. Efforts to get most Canadian companies to give quarterly reports have not been very successful but there could not be a policy more conducive to confidence in shareholders and the public.

### Comfort-Kirkland Mines

I should be very glad if you could give me any information regarding Comfort-Kirkland Mines Ltd., as to the probable future value of the stock, if any, and the responsibility of the men whom I have been asked to appoint as my proxy.

Comfort-Kirkland Mines is largely held by Rochester interests. No work has been done at the property for the last ten years. A shaft was sunk to a depth of about 170 ft. and approximately 1,000 ft. of lateral work done without conclusive results. As you are doubtless aware, the company's holdings lie just east of the Minaker, and just south of the Kirkland Hudson Bay claims at Kirkland Lake. There is no indication at the present time that the southerly dip of the main vein at Kirkland Lake will reach the Comfort-Kirkland property at mineable depth. The principal interest centred about these southerly parallel properties is the possibility of the vein coming under these properties at depth. We know nothing of the personnel of the Rochester group that seeks your proxy.

### Astoria-Rouyn Mines

I would be greatly obliged if you would be kind enough to give me some information on Astoria Rouyn Mines.

Astoria-Rouyn Mines has in recent months been busy drilling its group of claims adjoining the Granada Gold Mines in Rouyn Township, Quebec. The results from this drilling proved very encouraging and we now understand the company has more aggressive plans contemplated. It has been handicapped for funds in the past. While it is too early to appraise the importance of the company's holdings, there is a decided interest in this section of Rouyn Township, and many important companies are conducting exploration work.

### Beardmore Gold Mines

Would you kindly advise me regarding the financial standing of the Beardmore Gold Mines, and the value of its common shares?

Beardmore Gold Mines has no financial standing. It was sponsored by the Sutherland Brothers. The company is in the hands of the bondholders owing to default on funded debt. The common shares are worthless. In recent months negotiations have been under way to have the property taken over by others to continue development.

### Macassa Gold Mines

Will you please give me your opinion of the Macassa Gold Mines and its possibilities of making a profitable mine?

Macassa Gold Mines is developing a prospect immediately west of the most westerly producer in the Kirkland Lake camp—currently the largest gold producing camp in Ontario. The company has extensive holdings which embrace some 4,500 ft. along the main break of Kirkland Lake which provides ample ground for prospecting. A development plan started nearly two years ago included sinking a shaft to a depth of 2,500 ft. Work has been steadily progressing and some ore has been found, but no estimate of ore reserves has yet been made. The company has plans under way for installing a 150-ton mill this summer. Owing to the size of the property it is considered in the light of a geological bet, but only more extensive development will determine its potentialities. It is managed by men of ability who are highly regarded in the mining profession, but as an investment must be regarded as a speculation in an undeveloped property and as such carries all the risks and potentialities of an undeveloped property.

### Noranda or Nickel

I hold some shares in International Nickel Co. and am thinking of switching into shares of Noranda Mines. What do you think of such a change?

The question of switching from International Nickel into Noranda is largely governed by one's demand for income. International Nickel, as you are aware, is paying no common dividend while Noranda paid $1.10 in 1932. Both companies are regarded widely as stock market leaders of the future and are firmly entrenched. Earnings and consequently dividends of International Nickel are dependent on improvement in general conditions and it may be one of the first companies to reflect an improved trend. Noranda through the gold content of its ore has been able to make a profit despite the lowest copper prices in history. It, too, should show improved earnings with improved general conditions. It is in one of the most favorable situations of any copper producer in the world, is well managed and has large ore reserves. At current prices for shares they discount anticipated earnings.

### Premier Gold Mining

Will you please give me some information regarding the Premier Gold Mining Co.? Is their property in British Columbia about done? What are its speculative chances?

Premier Gold Mining Co. operates the largest producing property in British Columbia, that ranks fourth among the dividend-paying gold mines in Canada. Each succeeding year recently sees further curtailment owing to the depletion of the known ore bodies which evidenced bottoming above the sixth level. The estimated ore reserves have been steadily declining in recent years, but each year additional ore is found that has further extended operations. It has been a great mine and it is dying hard. The company enjoys excellent management being controlled by the American Smelting and Refining Co., one of the largest United States enterprises, and the company has currently approximately $1,500,000 in liquid assets. It has been active in acquiring other properties of merit—mostly silver properties—in order to perpetuate its mining existence. A couple of years ago it acquired the old Tough-Oakes-Burnside gold property at Kirkland Lake, Ont., and rehabilitated it. Production was resumed at this property in August of this year and currently it is making between $5,000 and $6,000 profit per month. Premier maintains an exploration staff searching for properties and last year acquired 50 per cent interest in a likely looking gold property in Western Australia. The low price of Premier's shares is reflecting the exhaustion of the principal mine, but earnings from this source have been sufficient for dividends. With its affiliated properties a definite speculative interest is added to the shares.

### Teck-Hughes Gold Mines

As a subscriber to your valuable journal may I ask you to furnish me with all necessary details and information you may be able to give me re Teck-Hughes Gold Mines Ltd. Is it a stock to buy or to sell?

Teck-Hughes Gold Mines ended the most successful year in its history on August 31 last with earnings of 77 cents per share, against dividend requirements of 60 cents per share. A problem that has concerned Teck-Hughes shareholders is as to the persistence of ore at depth. During the latter part of 1931 it was learned that several lean horizons had been encountered that were far from being up to mine average as to grade or tonnage. This precipitated an extensive deep development programme that is now under way. This development programme has met with some success but has not confirmed the existence at depth of the massive ore bodies that have been encountered above. The geological conditions remain favorable and conductive to deposition of other ore bodies. Indications are that it has sufficient ore for at least another year at current rate of production. Indications also point to substantial tonnages of lower grade ore in the future unless success is met with in the present deep development programme. The price of the shares and their high yield are reflecting this uncertainty. The company enjoys excellent management and has an aggressive exploration policy for new properties in order that its mining existence may be perpetuated after the present operations are exhausted.

### Hollinger Con. Gold Mines

What is the outlook for Hollinger as an investment? What are its chances of finding ore that will permit profitable operations to continue?

Hollinger Consolidated Gold Mines has been earning its dividend amply, and at current market prices gives a yield of about 9½ per cent on the investment. If present dividends can be maintained it would require approximately 18 years for the investor to get the return of his money simultaneous with six per cent interest on his investment.

Hollinger management has made its mistakes which brought criticism but it has been a profitable producer for 21 years and there is no indication that the company is in imminent danger of running out of ore. The ore possibilities of the property at depth have been under an exhaustive study by Dr. L. C. Graton, geologist of Harvard University. His report is just out, but adds little to the information already known respecting ore potentialities. In purchasing the shares the investor must be guided largely by what the company has been doing in the last 21 years rather than on the known ore potentialities.

It has a backlog of investments valued at about $1 per share.

### Prospectors' Airways

Is Prospectors Airways a Ventures' subsidiary? Just where does the McWatters find fit in and what is Prospectors Airways' interest in the company? Has this find proven to be a big mine?

Prospectors Airways Co. is the outgrowth of a private enterprise undertaken by a group of mining men. Last summer the Huronian Mining & Finance Co. and Ventures Ltd. both purchased about a 25 per cent interest in the company, the remaining 50 per cent being owned largely by the original group. Prospectors Airways, therefore, is not a Ventures subsidiary.

The McWatters find was purchased last fall by Prospectors Airways from the staker at the property. The new company, McWatters Gold Mines, was formed with a capitalization of 2,000,000 shares of no par value, of which Prospectors Airways owns 800,000 shares. Shareholders of Prospectors Airways have rights to purchase McWatters Gold shares at 40 cents each on the basis of three new shares for each five Prospectors Airways held, and will likely be given another opportunity to duplicate these rights this next spring. At the present time it is regarded as one of the most encouraging prospects in Rouyn Township. It is far from being a proven mine and to date only diamond drilling has been done. First diamond drilling encountered faulted conditions that were not particularly encouraging, but subsequent drilling was of a more favorable nature and now shaft sinking is under way. It can only be regarded as an encouraging prospect, requiring much more work to determine its minemaking possibilities.

### Con. Smelters

What do you think of an investment in Consolidated Mining & Smelting Co.? Over a period of years what are its chances of showing earnings that would justify a higher price?

Consolidated Mining & Smelting Co. of Canada is one of Canada's major mining operations with widely diversified interests and principal earnings coming from production of lead and zinc. The current prices for these commodities have forced curtailment of production and the company is little more than meeting expenses. At present prices the shares are clearly discounting future or potential earning power of the company and reflect the high esteem in which they are held. Owing to the diversified interests of the company which include the manufacture of fertilizer as well as the various aspects of mining, any general improvement in the metal market should reflect increased earnings for the company. It is an aggressive well-managed company with adequate capital and control rests with the Canadian Pacific Railway. During the last two years it expended large sums to diversify its interests and its huge chemical fertilizer plant is now operating, but it is too early to appraise its contribution to the earnings of the company. A large measure of its success will rest with the improvement in economic conditions among the Prairie farmers that will permit increased use of chemical fertilizer.

The company is the most active explorer for minerals in the Dominion and is continually acquiring properties of interesting potentialities. The future of the company to a large degree rests with the future development of Canada and its earnings will doubtless have a direct relation to general improved economic conditions.

Canadian Securities

Dominion of Canada
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and Municipal Bonds

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TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

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President

G. A. MORROW
Vice-President
and Managing Director

HERBERT C. COX
LEIGHTON MCCARTHY, K.C.
Vice-Presidents

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CENTRAL CANADA
LOAN AND SAVINGS COMPANY
KING AND VICTORIA STS., TORONTO
23 SIMCOE ST. N., OSHAWA
ESTABLISHED 1884

Caveat Emptor

The old Roman phrase "Caveat Emptor"—"let the buyer beware"—is as true today as in the days of the Empire.

With the present interest in Canadian mining stocks the investor must weigh carefully the actual returns and potentialities of the many offerings before making his decision.

Towards this end we place at your disposal our Statistical Department and have extended the facilities of our Stock Department to execute orders in the better grade mining stocks on a cash or conservative marginal basis.

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6. To gain a trade reputation for a manufacturer, his products, his brand names or personnel.
7. To announce and record manufacturer's news — changes, etc.
8. To "sell" jobbers to retailers.
9. To insure desire for, and use of, dealer helps and similar material.
10. To interest prospective executives and salesmen in the organization.
11. To serve as business insurance, etc.
12. To sell the trade on the stability and able management of a manufacturing company.
13. To do missionary work for salesmen — simplifying their work.
14. To move stock on the shelves or in the store — keeping dealers sold.
15. To educate dealers on proper display, demonstration, selling and service work for a product.
16. To merchandise consumer advertising.
17. To correct misapprehension of the mistakes of former personnel or policies.
18. To counteract seasonal habits and slumps.
19. To justify new lines, new prices, new policies, etc.
20. To assist wholesalers' and retailers' sales help.
21. To sell new uses or new markets for old products.
22. To sell co-operative movements.
23. To gain recognition for new packages, names, labels, etc.
24. To sell products or services to manufacturers through their dealers.
25. To control salesmen — to make them tell the same complete story.

Hardware and Metal - Canadian Grocer
Men's Wear Review - Sanitary Engineer
Dry Goods Review - Drug Merchandising
Canadian Paint and Varnish Magazine
General Merchant of Canada
Bookseller and Stationer

Business Newspapers Division
THE MACLEAN PUBLISHING COMPANY, LIMITED, 143-153 University Ave., Toronto, Can.

## Bank Chat on Current Topics

### Super Economy

ONE of the Canadian banks has been issuing paper towels to its branches. The executive heads had decided that they were more economical than the ordinary cotton variety. Just how much more economical was apparently not realized.

After the paper towels had been in use for some weeks, head office observed that one branch was using only a small quantity of the new supplies. Other branches were using several times as many towels.

Head office reasoned that some economy plan might have been evolved by the one branch which should, perhaps, be used by all branches. So a letter was dispatched to the manager asking how he managed to get along with so few towels.

The answer supplied by the branch manager was that, after using the newly-supplied paper towels for a short time, he followed the same plan as with the former cotton articles. He hung the paper towels in the sun to dry! In his letter to head office he stated that the dried towels were quite satisfactory, and that he was only using about one towel a day himself. Head office was interested and amused, but decided that this system could hardly be instituted in other branches.

Something else for technocrats and paper towel salesmen to worry about.

* * *

### Scrip Illegal

HERE'S a way to make some easy money in times of depression. Just sue any person issuing scrip as a substitute for money. It is worth $200 to the plaintiff; if he wins. Scrip issues are getting much publicity in newspapers at present. Raymond, Alberta, has been using scrip for its current payments; and at Leroy, Sask., a cheese factory has been operated on a co-operative basis by farmers with the use of scrip in payment for milk. Raymond takes back its scrip in payment of taxes. The cheese factory at LeRoy cashes its scrip when the cheese is sold. In both cases the scrip has had some circulation in these towns for other types of payment than those mentioned.

Now there is talk of a large scrip issue in Calgary, because the city has had difficulties with its finances since its failure to pay United States funds on its bonds. Limitation of bank credit has brought consideration of the use of scrip in the city.

The odd part of the scrip money issues in Canada is that they are illegal. This is apparent from the following extract from section 138 of the Bank Act:

"Every person, except a bank, to which this act applies, who issues or reissues, makes, draws or endorses any bill, bond, note, cheque or other instrument intended to circulate as money, or to be used as a substitute for money for any amount whatsoever, shall incur a penalty of $400."

Any person who sues for this amount can recover it with costs from the offender. Half of the amount, however, goes to the Government.

Unless there is a widespread tendency to issue scrip, it is unlikely that Canadian monetary authorities will prosecute in isolated cases. If a large city like Calgary were to issue substantial quantities of scrip money, legal action might be taken to prevent it. Banks have already indicated that they will not "recognize" any scrip issue made by the city of Calgary. Wholesale merchants in the city have declared that they will not take the proposed scrip in payment for goods. In the words of Dr. Johnson, "And there's an end on't."

* * *

### Systems and Systems

CANADIAN branch banking has been successful. But not solely because it is a "branch" system. Branch systems in the United States have not fared much better than well-managed unit banks. The present Michigan banking troubles show that.

The strict regulations of the Canadian Bank Act contribute much to the success of the Canadian system. The many branches, of course, diversify the banks' risks. Most of the banking troubles of the United States appear to be due to banks lending freely on real estate, and to incorporations of small banks which have little or no expert management.

If the branch banking system in this country had been operated on the same policies as many banks in the United States, it would not be in its present sound and liquid position. In fact the greater the number of branches, the greater is the crash when a branch ssytem, operating under United States banking laws, closes its doors. In addition to greater centralization in its banking system, our wealthy neighbor appears to need first a revision of its banking statutes.

* * *

### Staff Changes

**The Dominion Bank** announces the following staff appointments:

A. H. BAILLIE to be eastern supervisor located at head office.

A. C. ASHFORTH to be a supervisor at head office.

S. C. COOK to be a supervisor at head office.

C. A. PACK to be a supervisor at head office.

W. H. LEROY to be staff superintendent at head office.

A. H. BLACK, formerly manager at Broadview Ave. and Queen St. branch, Toronto, to be manager at Dovercourt Rd. and Bloor St. branch, Toronto, succeeding B. D. SAUNDERS, who is retiring shortly on pension.

STANLEY BLUES, formerly accountant at City Hall branch, Toronto, to be manager at Broadview Ave. and Queen St. branch, Toronto.

W. M. HAMILTON, formerly manager at Union Stock Yards branch, St. Boniface, Man., to be manager at Portage Ave and Sherbrook St. branch, Winnipeg.

T. LONG, to be accountant at City Hall branch, Toronto.

**The Bank of Nova Scotia** announces the following staff appointments:

W. DUTHIE to be supervisor of staff.

G. W. POOLE to be assistant supervisor of staff.

G. T. MURDOCH to be acting chief inspector.

F. L. FIELDS to be an assistant inspector.

D. G. ROWNTREE to be manager at Pape and Gowan branch, Toronto.

E. L. PIGGOTT to be manager at Danforth and Broadview branch, Toronto.

**The Canadian Bank of Commerce** announces the following changes in staff appointments:

C. L. JEWELL, formerly manager at Niagara Falls, Ont., to be manager at Guelph, Ont.

F. G. MATKIN, formerly manager at Shellbrook, Sask., to be manager at Leader, Sask.

D. RYMER, formerly manager at Ingersoll, Ont., to be manager at Listowel, Ont.

R. C. AMES, formerly manager at Listowel, Ont., to be manager at Niagara Falls, Ont.

J. P. DUGUID, formerly manager at Leader, Sask., to be manager at Shellbrook, Sask.

* * *

### Branch Changes

**The Canadian Bank of Commerce** announces the following changes in branches:

Almonte, Ont., branch was closed on Feb. 28.

Bishop's Crossing, Que., branch is to be known as Bishopton, Que., branch because the name of the village has been changed.

Brampton, Ont., branch was closed on Feb. 28.

Ingersoll, Ont., branch was closed on Feb. 28.

College and Ossington branch, Toronto, was closed on Feb. 28, and the business of the branch was transferred to College and Dovercourt branch, Toronto.

# Current Events in Banking World

## Savings Interest Lower in Australia, U. K., U. S. A. than Canadian 3% Rate

### Latest Changes in World Discounts Indicate Lower Trend

### CUT IN ORDER HERE

### Interest Policies Reduce the Effective Rate in Other Countries' Savings Deposits

Interest on savings deposits in Canada, at three per cent, is now as high or higher than in Great Britain, Australia and the United States, for similar deposits. Reduction of the Canadian rate to two or two and one half per cent would bring Canada more into line with the practice in other countries, according to a survey made by The Financial Post. Recent changes in world discount rates indicate a general trend towards lower interest in other countries.

In countries where seemingly higher savings rates prevail than in Canada, the method of calculation of interest, limitation of deposits as to size and time, and service charges reduce the actual effective rate.

**Australian Rates**

Rates in Australia provide a fair comparison for Canadian conditions, because of the similar economic situation of the two countries. Australian banks pay interest on "fixed" deposits, the set periods forming a restriction in themselves which doesn't exist in Canada. Rates for these deposits in Australia start at 2¼ per cent on deposits for three months or more. For six months' deposits the rate is 2¾ per cent; for 12 months, three per cent, and for two years, 3¼ per cent. Thus, deposits in Australia must be definitely made for a year before becoming entitled to as high a rate as in Canada.

**English Practice**

In England, banks outside the London area pay 1½ to two per cent on time deposits, according to information obtained by cable, especially for The Financial Post, by The Canadian Bank of Commerce from its London office. The Post Office trustee is paying about 2½ per cent on deposits as are some individual country savings banks in England. However, the P. O. banks and small savings banks offer less extensive and convenient service than the commercial banks.

In London, where bank interest rates follow the course of the general money market, deposit rates are much lower than in Canada. It has been the practice to pay two per cent less than the Bank of England discount rate on current demand deposits. Rates on time deposits follow a similar course. The bank rate is now only two per cent, so that nothing is being paid on many current accounts, although one half of one per cent is paid on a few. This, of course is a concession.

London Clearing banks are now paying ½ to ⅝ of one per cent on time deposits, the former rate for deposits on seven days' notice or more, and the latter for 30 days' deposits. These rates are being paid chiefly as concessions to keep accounts, it is understood. Thus, all the important deposit rates in English banking are substantially lower than the three per cent rate which has been in force in Canada. The reason for the apparent great discrepancy between time deposit rates between London and country districts is that the London branches depend chiefly on the money market for their loans. The short term money rates are now very low, and hence interest on deposits must remain small. The country banks, on the other hand, have a fairly stable demand for loans from industry, and so can pay higher deposit rates. Their position is more analogous to that of the Canadian banks than that of the London banks.

**United States Rates**

Deposit rates in the United States are seemingly higher than in Canada, but actually are not, when all factors are considered. There are so many banks in that country that it is virtually impossible to give a clear picture of the interest rates structure on time deposits. Various banks are continuously changing their rates.

In New York, savings banks set a quarterly rate for time deposits. The present rate is 3½ per cent, and it is anticipated that it will be lowered to three per cent next quarter. The effective rate does not amount to this, however, as the interest is only paid on the minimum quarterly deposit, instead of on the minimum monthly as in Canada.

There is also a statutory limit of $7,500 on the total individual balance allowed in savings banks in New York State. However, individual banks sometimes restrict this further. The Bowery Savings Bank, for instance, limits the maximum deposit to $2,000.

**Commercial Banks**

Commercial clearing house banks in New York do not have savings departments, but take "compound interest accounts." Corporate or institutional funds are not taken for deposit in this manner. The maximum rate at present is three per cent. Many banks are actually paying less, however. The Irving Trust Co. pays a maximum of two per cent, and allows a maximum individual deposit of $15,000. The National City Bank pays three per cent on the first $1,000 in a "compound interest account." Above $1,000, it pays two per cent up to $15,000. For the portion of a balance over $15,000, it pays about 1½ per cent, based generally on the clearing house rate for bank deposits. The Guaranty Trust Co. generally has no savings accounts, it is understood.

**Rates at Buffalo**

Buffalo is a good example of a United States city close to Canadian influences. In that city there are "special" savings deposits on which three per cent is paid, calculated on the minimum quarterly balance. The savings banks in the city issue deposit certificates, and a large portion of the local savings are so handled. On such term deposits, only one per cent per annum is paid on one month deposits. Two months' deposits are at the rate of 1½ per cent, and three months' deposits or more get interest at the rate of only two per cent per annum.

## Discount Rates of World Banks Show Declines

A downward revision of deposit rates by Canadian banks would be in conformance with a trend toward lower rates in leading commercial nations of the world.

This is shown by an examination of central bank discount rates in foreign countries. Since the autumn of 1931, only one financial centre has raised its discount rate. This was in Brussels in January, 1932, at that time the Bank of England's rate was six per cent. The Imperial Bank of India was the most recent example of a reduction, cutting its interest rate from four to 3½ per cent on Feb. 16.

**Latest Change**

The latest changes in central bank rates throughout the world are shown in the following table:

**Latest Changes in Central Bank Rates at Leading World Centres**

| | Rate Jan. 31 | Changed From | Date of Change |
|---|---|---|---|
| **Reductions:** | | | |
| London | 2 | 2½ | June 30/32 |
| New York | 2½ | 3 | June 23/32 |
| Berlin | 4 | 5 | Sept. 22/32 |
| Amsterdam | 2½ | 3 | Apr. 18/32 |
| Athens | 9 | 10 | Dec. 8/32 |
| *Calcutta | 3½ | 4 | Feb. 16/33 |
| Copenhagen | 3½ | 4 | Oct. 12/32 |
| Pretoria | 5 | 6 | Oct. 7/32 |
| Rome | 4 | 5 | Jan. 9/33 |
| Switzerland | 2 | 2½ | Jan. 22/31 |
| Stockholm | 3½ | 4 | Sept. 1/32 |
| Bucharest | 7 | 8 | Mar. 4/32 |
| Budapest | 4½ | 5 | Oct. 18/32 |
| Helsingfors | 6 | 6½ | Jan. 31/33 |
| Kobe | 4.38 | 5.11 | Aug. 18/32 |
| Lisbon | 6½ | 7 | Apr. 4/32 |
| Oslo | 4 | 4½ | Sept. 1/32 |
| Prague | 3½ | 4½ | Jan. 25/33 |
| Sofia | 8 | 9½ | May 25/32 |
| Vienna | 6 | 7 | Aug. 24/32 |
| Warsaw | 6 | 7½ | Oct. 21/32 |
| **Increases:** | | | |
| Paris | 2½ | 2 | Oct. 9/31 |
| Brussels | 3½ | 2½ | Jan. 13/32 |
| Madrid | 6½ | 6 | July 8/31 |
| Belgrade | 7½ | 6½ | July 20/31 |

*At Feb. 16/33.

**Trend Downward**

It will be noted that all recent changes are downward. Of the four centres in which rates were raised, on the occasion of their last change, only Brussels made the increase in 1932. And it was very early in that year. Economists appear to consider the lowering of such rates an encouraging feature for finance and business at present.

Monetary authorities in Canada consider that a reduction of deposit interest here may react similarly on the entire interest structure. In this respect it may be likened to a reduction in a central bank's discount rate.

## Hamilton Bank Manager Addresses Hardware Men

W. M. Langston, manager of the Canadian Bank of Commerce at Hamilton, Ont., recently addressed the Retail Hardware Association convention, in that city, on budgetary control of business.

Mr. Langston stated that present methods of accounting were distinctly modern in most firms, and that the banker asking for a statement from a customer thirty years ago was likely to lose the client's account. The request was regarded as a breach of confidence. In conclusion, the speaker stated that the success of a business depended on its management.

## Weekly Bank Clearings

| | Feb. 23 1933 $ | Change % year ago | Feb. 16 1933 $ |
|---|---|---|---|
| Halifax | 1,680,436 | —13.4 | 1,478,654 |
| St. John | 1,388,485 | — 5.8 | 1,387,214 |
| Moncton | 561,803 | — 2.5 | 452,574 |
| Sherbrooke | 435,262 | —14.1 | 436,394 |
| Quebec | 3,001,796 | —11.6 | 3,079,459 |
| Montreal | 61,684,492 | —11.9 | 66,528,196 |
| Ottawa | 3,428,867 | —15.8 | 3,018,457 |
| Kingston | 368,907 | —15.7 | 422,432 |
| Peterboro' | 431,888 | —18.4 | 414,398 |
| Toronto | 68,460,538 | + 7.9 | 81,261,081 |
| Hamilton | 2,788,926 | —11.1 | 2,680,807 |
| Kitchener | 756,982 | +11.0 | 710,624 |
| Brantford | 583,369 | — 7.8 | 610,304 |
| London | 1,993,195 | +0.09 | 2,171,108 |
| Chatham | 344,408 | — 7.5 | 388,377 |
| Sarnia | 327,167 | — 2.1 | 278,002 |
| Windsor | 1,845,862 | —18.1 | 1,479,834 |
| Sudbury | 344,483 | —14.9 | 487,244 |
| Ft. William | 408,079 | +0.09 | 383,528 |
| Winnipeg | 21,730,620 | —28.4 | 22,208,484 |
| Brandon | 216,472 | —11.3 | 215,118 |
| Moose Jaw | 346,660 | —18.2 | 323,030 |
| Regina | 2,228,380 | —28.0 | 1,791,052 |
| Saskatoon | 927,146 | —19.9 | 988,057 |
| Pr. Albert | 177,874 | — 8.8 | 142,678 |
| Edmonton | 2,588,705 | —19.6 | 2,188,469 |
| Calgary | 4,069,188 | —10.3 | 3,862,317 |
| Medic. Hat | 128,941 | —22.8 | 115,175 |
| Lethbridge | 218,899 | —20.1 | 246,314 |
| N. W'minster | 315,190 | —13.0 | 303,500 |
| Vancouver | 10,258,100 | —18.8 | 10,886,919 |
| Victoria | 1,072,497 | —12.6 | 1,040,970 |

## Announce Ten Branch Closings During January

Closings of ten branches and sub-branches of chartered banks were announced in January, 1933. The total of branches of Canadian chartered banks at Jan. 31, 1933, compared with 3,941 at Dec. 31, 1932. There were 4,151 branches at Dec. 331, 1931.

Five branches and one sub-branch were closed by The Royal Bank of Canada in January. The branches were at St. Lucia, B.W.I., Fort St. John, B.C., Montreal Stock Yards, Port Perry, Ont., and Fraser & Marine branch, Vancouver. The sub-branch was at Orton, Ont.

Banque Canadienne Nationale closed two sub-branches during the month, at Bonaventure and Coleraine Station, Que. The Bank of Toronto announced the closing of its Montclair and Sherbourne branch in Montreal, and the Bank of Nova Scotia has closed its Woodbridge, Ont., branch.

In many instances, the branch closings which have been in evidence for about two years are effected with little loss of service to the community. The business is frequently handled by another bank's branch in exchange for similar cooperation in other centres.

## Foreign Exchange

CANADIAN dollars did not profit materially at the expense of the United States units during the weeck ended Feb. 27. Other leading currencies, however, appeared to have a stronger tendency in the New York exchange market. Nervousness over the strained banking situation in the United States has apparently been the chief cause of transfer abroad of funds from that country. While such transfers have apparently not affected Canadian dollars and sterling very noticeably, they have brought European gold standard currencies up to their "gold points."

Rumors that the Roosevelt administration in the United States would make a stand for sound money affected Canadian dollars and sterling adversely in New York. Canadian currency weakened on this announcement, but was not as strong as might have been expected when adverse conditions were evident in the United States. Possibly this action is due to the persistence of inflationary talk in Canada.

* * *

BILLS are relatively scare at present, and this narrowness of the market in Canadian dollars exaggerates the effects of any substantial transactions. When sudden movements in our currency occur, they are usually due to financial factors, under present trade conditions. One exchange authority recently told The Financial Post that with the current narrow market and nervousness of capital, rumors were probably as influential as anything else on the exchange rate.

Canadian dollars closed at 83½ cents in New York on Feb. 27, compared with 83⅝ cents on Feb. 20. Daily quotations for the week, as compiled by The Financial Post, are as follows:

**FOREIGN EXCHANGE**
**New York Funds**

| | High (Premium) % | Low (Premium) % | Last Year High (Premium) % | Last Year Low (Premium) % |
|---|---|---|---|---|
| Feb. 21 | 20 3-8 | 19 7-8 | 14 | 13 5-8 |
| Feb. 22 | 19 15-16 | 19 1-2 | 13 5-8 | 13 1-2 |
| Feb. 23 | 20 1-4 | 19 3-4 | 13 1-2 | 13 |
| Feb. 24 | 20 3-4 | 20 1-8 | 13 1-8 | 13 |
| Feb. 25 | 21 | 20 5-8 | 13 13-16 | 13 1-8 |
| Feb. 27 | 20 3-4 | 19 9-16 | 13 1-8 | 13 |

**STERLING, FRANCS AND LIRE**
**Close: Demand in New York**

| | Sterling | Francs | Lire |
|---|---|---|---|
| Gold par | $4.866 | $0.03918 | $0.526 |
| Feb. 21 | 3.42 3-8 | 0.394 1-2 | 0.511 1-2 |
| Feb. 22 | ........ | ........ | ........ |
| Feb. 23 | 3.41 | 0.394 1-2 | 0.511 5-8 |
| Feb. 24 | 3.41 | 0.394 1-2 | 0.511 3-8 |
| Feb. 25 | 3.40 3-4 | 0.394 3-8 | 0.511 1-2 |
| Feb. 27 | 3.41 3-8 | 0.394 9-16 | 0.511 1-2 |

**Close: Demand in Toronto**

| | Sterling | Francs | Lire |
|---|---|---|---|
| Gold par | $4.866 | $0.03918 | $0.0526 |
| Feb. 21 | 4.10 1-2 | 0.0472 3-4 | 0.0613 3-4 |
| Feb. 22 | 4.08 3-4 | 0.0472 1-3 | 0.0613 3-4 |
| Feb. 23 | 4.10 3-4 | 0.0474 3-4 | 0.0615 3-4 |
| Feb. 24 | 4.11 1-4 | 0.0475 3-4 | 0.0617 3-4 |
| Feb. 25 | 4.11 1-2 | 0.0476 1-4 | 0.0618 1-4 |
| Feb. 27 | 4.09 3-4 | 0.0472 3-4 | 0.0613 |

| | Reichsmarks | Belga | Yen |
|---|---|---|---|
| Gold par | $0.238 | $0.139 | $0.498 |
| Feb. 21 | 0.2867 | 0.1680 | 0.2500 |
| Feb. 22 | 0.2868 | 0.1683 | 0.2497 |
| Feb. 23 | 0.2878 1-2 | 0.1690 | 0.2495 |
| Feb. 24 | 0.2889 | 0.6194 | 0.2492 |
| Feb. 25 | 0.2888 | 0.1692 | 0.2475 |
| Feb. 27 | 0.2866 1-2 | 0.1682 | 0.2470 |

## Parliament to Consider Bank Charter Extension

Legislation is being introduced in the House of Commons, Ottawa, to extend the charters of Canadian banks for one year from July 1, 1933, to July 1, 1934.

Extension of bank charters is usually granted for ten year periods, on the occasion of the decennial revisions of the Bank Act. The revision which was to have taken place this year has been deferred to 1934, pending the world economic conference, and this has necessitated the one year extension.

# Insurance for Buyer and Seller

## DECLINE SHOWN IN NET PREMIUMS OF ROYAL GROUP

### Loss Ratio Reveals Improvement at 58.5 Per Cent

From Our Own Correspondent

MONTREAL.—A decline in premiums written and losses incurred and a slight improvement in ratio between net losses and net premiums written are revealed in preliminary figures covering Canadian business of the Royal Insurance Co. and its affiliated companies for 1932. Affiliated companies comprise, Queen Insurance Co. of America; Hudson Bay Insurance Co.; Newark Fire Insurance Co. and the Pioneer Insurance Co.

Total premiums written by this group in Canada were $3,406,971 compared with $3,909,143 in 1931; net losses incurred were $1,994,519 against $2,093,594 in the previous year. Royal Insurance Co. is the largest factor in the group accounting for $2,417,747 of combined total of premiums written.

Comparative figures for Royal Insurance Co. follow:

| Royal Insurance: | 1932 $ | 1931 $ |
|---|---|---|
| **Fire:** | | |
| Net written | 1,680,261 | 1,833,967 |
| Net losses | 1,018,033 | 1,011,158 |
| Ratio | 60.5% | 55.1% |
| **Auto:** | | |
| Net written | 356,548 | 465,010 |
| Net losses | 230,498 | 281,463 |
| Ratio | 61.8% | 60.5% |
| **Total results:** | | |
| Net written | 2,417,747 | 2,812,931 |
| Net losses | 1,462,366 | 1,494,105 |
| Ratio | 60.4% | 53.1% |

Of the others Queen Insurance Co. wrote the largest volume of business and its fire and automobile results are segregated below. Hudson Bay Insurance confined its activities almost entirely to fire underwriting; Newark Fire wrote $27,656 in premiums on autos in addition to fire and Pioneer wrote nothing but fire during the past year.

Following are comparative results for the past two years:

| Queen Insurance: | 1932 $ | 1931 $ |
|---|---|---|
| **Fire:** | | |
| Net written | 513,155 | 506,067 |
| Net losses | 288,297 | 310,088 |
| Ratio | 56.1% | 61.2% |
| **Auto:** | | |
| Net written | 34,254 | 55,148 |
| Net losses | 9,809 | 30,750 |
| Ratio | 28% | 55.7% |
| **Total results:** | | |
| Net written | 551,627 | 566,903 |
| Net losses | 297,990 | 344,437 |
| Ratio | 56% | 60.7% |
| **Hudson Bay:** | | |
| Net written | 180,274 | 211,005 |
| Net losses | 100,186 | 108,592 |
| Ratio | 55.5% | 51.4% |
| **Newark Fire:** | | |
| Net written | 155,462 | 170,716 |
| Net losses | 79,309 | 84,266 |
| Ratio | 51% | 49.3% |
| **Pioneer:** | | |
| Net written | 101,861 | 147,588 |
| Net losses | 54,668 | 62,194 |
| Ratio | 53.6% | 42.1% |
| **Combined & total of group:** | | |
| Net written | 3,406,971 | 3,909,143 |
| Net losses | 1,994,519 | 2,093,594 |
| Ratio | 58.5% | 59.9% |

## Big Attendance Features Toronto Sales Congress

A good programme and a cut-rate registration fee is held responsible for the success of the one-day sales congress held at Toronto last week by the Life Underwriters' Association of Toronto. Almost 500 underwriters attended the session.

Chief guest speaker at the meeting was Horace H. Wilson, associate manager of the Equitable Life Assurance Society, New York City. An address was also given by G. Fay Davies of the Life Insurance Sales Research Bureau of Hartford. A feature of the afternoon session was a series of 10-minute sales talks by leading Toronto underwriters.

## Assistant Secretary

C. P. MILNE

Recently appointed assistant secretary of the North American Life Assurance Co.

## Net Premiums Can. Indemnity Total $705,000

A 13 per cent decline in premium income, with a considerable decrease in earned loss ratio and a net gain of $34,600 in surplus are features of the 21st annual report of Canadian Indemnity Co., of Winnipeg.

Net premium income was lower by $103,000 at $705,000, while earned loss ratio on fire business was lower 12 points at 46 per cent. Earned loss ratio in all casualty lines was lower by over 3 points at 42 per cent on a net premium income of $523,500. In spite of an increase of more than 100 per cent in the ratio of taxes paid to premiums written total expense ratio on an earned basis was kept at 50.5 per cent as compared with 54.5 per cent the previous year.

**Comparative Figures**

Comparative underwriting and other figures for the past two years follow:

| Canadian Indemnity Co. | 1932 | 1931 |
|---|---|---|
| **Fire:** | | |
| Net prems. written | $153,061 | $209,617 |
| Earned loss ratio | 46.3% | 58.3% |
| **Casualty:** | | |
| Net prems. written | $523,505 | $583,500 |
| Earned loss ratio | 42.3% | 45.7% |
| **Hail:** | | |
| Net prem. written | $28,335 | $14,852 |
| Gross prem. inc. | 851,968 | 878,711 |
| Net prem. inc. | 704,901 | 807,870 |
| Net losses incurred | 339,609 | 358,600 |
| Ratio exp. to prem. written | 54.1% | 49.5% |
| Ratio taxes to prem. written | 4.86% | 2% |
| Ratio exp. to prem. earned | 50.5% | 54.5% |
| Assets | $1,332,435 | $1,333,915 |
| Surplus | 221,487 | 186,882 |

Assets show little change at $1,332,000. Dividends at the rate of 5 p.c. were paid during the year and after writing $4,479 off mortgage investment account and an additional sum of $16,000 for depreciation in value of securities to reduce them to government valuation, surplus was increased by $34,660 to $221,487. Analysis of assets shows approximately 55 per cent of the total in bonds and debentures and 20 per cent in stocks.

## QUEBEC LAW HITS POLICY HOLDERS BY DOUBLE DUTY

### Underwriters Urged to Act Against Present Difficulties

From Our Own Correspondent

MONTREAL.—Suggesting that life underwriters take concerted action to overcome difficulties presented by Quebec succession duty laws, Terrence Sheard, assistant manager of the Montreal branch of the National Trust Co., indicated the burden which double taxation in the province places on both the policyholders and on underwriters in a recent address before the Life Underwriters' Association.

Under the Quebec law, he stated, the estate of a man who had taken out life insurance in Quebec and later moved to Ontario where he had died was liable not only to succession duties of Ontario but also for the Quebec taxes as well. On the other hand an Ontario policy, the holder of which had moved elsewhere, was not subject to any such taxes in that province.

It was a matter of concern, he said, to underwriters and to the public, since persons in Quebec were influenced by this factor of double taxation when considering life insurance. It was not surprising that executives of Ontario companies should look askance on policies offered for their consideration by Quebec underwriters when they knew a shift back to Ontario would involve payment of double succession taxes on a Quebec policy when they died.

It was pointed out that there was no escaping this taxation, for the life insurance company would refuse to pay the policy until a waiver had been received from the Quebec authorities. Further, it made no difference if the company issuing the policy was a Quebec or Ontario firm. The same taxes applied as long as the policy itself was written in the province.

## January Fire Loss Lower in Ontario

Fire losses in Ontario in January amounted to $691,187 from 1,295 fires compared with $1,106,469 from 1,156 fires in January a year ago. All but $70,143 of the January, 1933, losses was covered by insurance.

Dwellings accounted for the largest number of fires and losses, there being 1,023 outbreaks with a total loss of $280,067, both totals being greater than in January, 1932. Fires in stores were greater in number at 104 but losses were only $202,547 compared with $580,458 in January, 1932.

Only one large fire was recorded in the province in January that being at St. Thomas where a fire in a store and office block accounted for a loss of $45,494.

## CANADIAN FIRE IMPROVES RATIO OF FIRE LOSSES

### Income Lower But Good Gain Made to Surplus in 1932

Lower premium income with a substantial reduction in earned loss ratio is reported by Canadian Fire Insurance Co. in its 38th annual report issued recently.

Net premium income after deducting reassurance was $745,000 against $930,000 in 1931 with an earned loss ratio on all classes of business of 45.5 against 53.8 in 1931.

Decline in income was due in part to general business conditions which necessitated a more careful selection and also to cancellation of foreign treaties which proved unprofitable. The company's operations in the United States embracing underwriting in the states of California, Washington and Oregon show a decline in fire premiums there of $33,868 and an increase in automobile premiums of $50,672.

**Comparative Figures**

Comparative figures for underwriting results and leading balance sheet items follow:

| | 1932 | 1931 |
|---|---|---|
| **Fire:** | | |
| Net prem. written | $432,279 | $640,215 |
| Loss ratio (earned) | 43.2% | 55.7% |
| **Auto:** | | |
| Net prem. written: | | |
| Canada | $144,335 | $173,315 |
| U. S. A. | 149,722 | 99,050 |
| Loss ratio (earned) | 47.3% | 51.1% |
| **Hail:** | | |
| Net prem. written | $5,614 | $3,453 |
| Loss ratio (earned) | 45.3% | 22.8% |
| **Miscellaneous:** | | |
| Net prem. written | $12,938 | $7,482 |
| Loss ratio (earned) | 7.7% | 15.5% |
| **Total Business:** | | |
| Prem. income | $939,445 | $1,097,217 |
| Net prem. inc. | 744,888 | 930,187 |
| Losses incurred | 367,985 | 446,680 |
| Earned loss ratio | 45.5% | 53.8% |
| Assets * | 2,585,183 | 2,589,071 |
| Surplus | 657,463 | 604,225 |

Assets show little change at $2,585,000, the bulk of the company's investments being in bonds and debentures and guaranteed mortgages. After paying 6 half-yearly dividends at the rate of 8 per cent per annum and writing $15,500 off investment securi ties to reduce them to government valuation standards, $53,000 was transferred to reserve which is that much higher than a year ago at $657,500.

**Taxation Doubled**

Figures published by the company showing the increase in burden of taxation borne by the company during the year are especially noteworthy in view of the recent attempt by the Canadian Fire Underwriters' Association, to pass on increasing taxes to policyholders by means of a surcharge. Canadian Fire Insurance Co. reports that ratio of government fees and taxes to premiums written, more than doubled during the year to 6.3 per cent as compared with 3 per cent the previous year. This increase was largely responsible for an increase in total expenses to 51.7 per cent of premiums written as compared with a corresponding figure of 45.4 the previous year.

Comparative figures follow:

**Comparative Taxation Figures**

| Ratio: | 1932 % | 1931 % |
|---|---|---|
| **Expenses less taxes to:** | | |
| Prems. earned | 41.8 | .... |
| Prems. written | 45.4 | 42.4 |
| **Govt. taxes, fees, to:** | | |
| Prems. earned | 5.8 | .... |
| Prems. written | 6.3 | 3.0 |
| **Total expenses to:** | | |
| Prems. earned | 47.6 | 51.0 |
| Prems. written | 51.7 | 45.4 |

## Nova Scotia Fire Loss Cost $1,688,000 in 1932

Fires in Nova Scotia in 1932 numbered 1,414, entailing a total loss of $1,687,459, according to the annual report of Fire Marshal Rudland of that province.

Of the total 1,035 were in dwellings, involving a total loss of $648,508. There were 87 fires in mercantile stores, loss $238,780; 117 in barns, loss $170,195; 59 in manufacturing establishments, loss $395,480; 29 in garages, loss $78,199. These five classifications account for 1,327 of the 1,414 fires and $1,531,162 of the total loss.

The principal cause of fires was sparks; 409 fires, due to this cause, involved a total loss of $130,798. To chimneys and flues; hot ashes and coals; open fires; stoves, furnaces and their pipes, were laid the origin of 401 fires, loss $301,269. Electricity is blamed for 78 fires, smoking for 88, careless use of matches for 34, but the causes of 263 fires are unknown and these involved the greater part of the total loss, namely, $850,221.

## Insurance Inklings

A. W. W. KELSEY has been appointed superintendent of agencies in Canada for the Prudential Assurance Co., Ltd., of London, Eng. Prior to coming to Canada in 1930 Mr. Kelsey was attached to the London, Eng., office of the company.

S. G. BAGGS has been appointed Hamilton manager of the Great West Life Assurance Co. Mr. Baggs was formerly associated with the company in Calgary.

JACK L. GOLDEN and J. R. Barraclough, both of the Montreal downtown branch of the Imperial Life Assurance Co., head that company's senior production club in paid-for insurance for 1932.

JOHN H. STOUTENBURG has been appointed Hamilton manager of the Continental Life Insurance Co.

G. T. BAKER heads Ontario producers for 1932 of the Ontario Equitable Life and Accident Insurance Co.

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ALL POLICIES NON-ASSESSABLE PAYING DIVIDENDS RANGING FROM 20% TO 30%

# Grain and Milling in Canada

## This Week in Wheat

From Our Own Correspondent

### Firmer Tone at Winnipeg

WINNIPEG.—In spite of narrow price fluctuations the wheat market has seemed during the past week to be developing a firmer tone, and gave the impression that it was restrained from some forward movement only by banking developments in the United States. There seems to be evidence of some buying of futures by Great Britain and Europe to meet the needs of coming months and also of the beginning of the accumulation of cash wheat in preparation for the opening of navigation. As a result of the latter cash prices have been getting closer to the May future, while the spread of only one cent a bushel between the May and the July appears to be an indication of a certain strength.

Although world shipments the past week were slightly down from the previous week, and North American shipments were comparatively light, statistics were somewhat encouraging in showing no increase in stocks afloat. Arrivals of wheat in the United Kingdom are beginning to be heavier than previously during the current crop year. British imports this year have been 30,000,000 bushels less than the previous year, and this trade believes has resulted in such depletion of stocks that imports on a heavier scale will be necessary for the remainder of the year.

* * *

### Europe Needing More Wheat?

DESPATCHES from Liverpool suggest that the continent is beginning to feel a greater need for wheat imports. Heavy shipments from the Southern Hemisphere continue to be a bearish influence. Australia has been holding offering prices somewhat firmly, but the Argentine, with the double handicap of the British duty and somewhat inferior quality to overcome, has been quoting low prices.

Winnipeg and Chicago prices continue to move closely parallel, but spreaders are nervous about undertaking operations between the two markets. When the full force of the winter wheat situation comes on United States markets, prices can easily move sharply away from Winnipeg, while changes in the exchange rate between the two countries might work in the opposite direction. United States prices for coarse grains are comparatively much lower than ours, with corn half the price of wheat, and with oats from a quarter to a third, while in Winnipeg, oats are approximately half the price of wheat.

## ARGENTINE WHEAT FOR EXPORT SALE 133,209,800 BUS.

### Estimate Only 86 Million May be Sold by July 31

Wheat available for export from the 1932-33 crop in the Argentine is estimated at 133,209,800 bushels, according to a dispatch to the Dominion Bureau of Statistics from Buenos Aires. The Bureau previously estimated that only about 86 million bushels of this will be marketed before the end of the current crop year.

Opinion in Buenos Aires appears to be that the Argentine has a slight advantage over the rest of the world in marketing its wheat at present. This is based on the absence of Russian and United States wheat from the market, the disposal to date of half the Australian crop and the winter transportation season in Canada. With Canada still offering wheat freely, however, the present demand apparently does not exceed the supplies of the grain available. Export wheat trade is reported active in the Argentine.

**Brazil is a Buyer**

It is expected that Brazil will absorb a substantial part of the Argentine crop. The contract between the United States and Brazil for barter of wheat for coffee has expired, and this is bringing a demand for Argentine wheat. In normal years Brazil has been a good customer for Argentine wheat, purchases averaging about 22 million bushels a year.

The price of the May option in Buenos Aires on Feb. 28 was equivalent to 43 cents a bushel at the current rate of exchange. This compares with 46⅞ cents a bushel for No. 1 Northern at Winnipeg on the same day. Prices were steady in the Argentine during January, and closed the month with gains approximating ¾ cents a bushel. Purchases by millers have not been brisk, but it is reported that choice grain is readily saleable. There is much irregularity in the quality of the Argentine crop, which bears out previous reports. A considerable quantity of light weight grain is available, but this lightness may be largely eliminated in mixing.

**Rains Delay Movement**

Some delay in movement of the crop to the ports is expected as a result of recent heavy rains which are understood to have made many country roads impassable. A steady increase was in evidence in movement to the ports in January. Boats loaded or contracted for up to March 31, 1933, show a total of 55,114,700 bushels, compared with 66,137,600 bushels for the same period last year.

An innovation in sale of wheat in the Argentine is the adoption of the Canadian system. Of this, the dispatch from Buenos Aires states:

> "Selling by the farmers has not been quite so free as had been looked for, although a fair volume has changed hands. The tendency now is to immediately buy the May option against the cash sale. This is an innovation in this country, where the practice has always been to sell on the price-to-be-fixed contracts in order to secure the benefit of any later advance in prices. But restrictions on this form of contract by the Minister of Agriculture, as the result of complaints that it has been made use of unfairly to the detriment of the farmer, has led to the refusal of the big grain firms to buy in this way. Hence the adoption of the plan followed in Canada and other countries.

## Produce Merchants Stay Out of Relief Line

Legislation enabling farmers to sell their produce in Toronto under all conditions will be sought at the coming session of the Ontario legislature, it was stated at the convention of the Ontario Vegetable Growers' Association at the King Edward Hotel.

George Bush, field secretary, said, "A great satisfaction to us is that not one grower in Ontario is known to have accepted relief."

## Underlying Factors Support Viewpoint Wheat Strengthening

### Wheat Situation in Itself No Longer Alarming and Basic Factors Point to Improvement in Future

From Our Own Correspondent

WINNIPEG.—Why it is possible to say that the wheat situation is improving when statistics indicate a world trade much smaller than that of last year, and a carry-over on this continent at the end of the current crop year not much different from that of last year, has puzzled many casual observers of the wheat market.

And why, if there is any such change to be recorded it does not make itself manifest in better prices is a question which seems to justify some scepticism.

Nevertheless there is a strong feeling on the part of those engaged in the grain business that there is an improvement in basic conditions. It can be best expressed by saying that whereas formerly the wheat situation itself was regarded as one of the principal causes of the drop in prices, and doubtless a contributing cause to the depression, the wheat situation by itself is no longer alarming, and the bar to price improvement lies in general economic conditions more than in any overproduction of wheat. Not only would any improvement in the latter be reflected in better wheat prices but it is possible for a situation to develop within the next year which might allow wheat prices to make some change for the better without a preliminary alteration in the general trend.

**Surplus Due to Disappear**

World overproduction of wheat pretty well came to an end with the production of a huge over-supply in 1928-29. Since that year production and consumption have fairly well balanced, but production has been equal to consumption and has prevented any using up of a previously accumulated surplus, the weight of which seemed to grow greater year by year as it remained in existence.

It is still there, and will still be there in July, but the next year, commencing with the first of August, is likely, according to present prospects, to see extensive inroads made upon it, and could conceivably see its total disappearance. Any reduction, it is believed would result in a more than proportionate reduction in its market weight, which might be further reduced by certain technical considerations.

**U. S. A. Holds Key**

The crux of the situation lies in the United States. Only two world countries—Canada and the United States—have been overproducing wheat in the sense of creating greater supplies than they could sell, or were willing to sell at current prices, and it is on this continent that the world's wheat surplus has accumulated. But the United States had a crop very little in excess of its own needs last year, and in 1933 is likely to produce one that will fall short of its own needs by a considerable margin. Not only have farmers there reduced their acreage to some extent, but the great winter wheat area has been and still is afflicted by long continued drought.

It was known last fall that the winter wheat crop was bound to be poor, and conditions appear to have got steadily worse during the winter. But so long have unsatisfactory conditions been apparent that the market has become insensitive to them, and not until spring is well advanced, and some tentative estimates of production become possible, is this factor likely to increase in importance in the market.

**Most of Excess in U. S. A.**

It seems reasonably likely that there will continue the present price condition under which United States prices are kept above world prices, so that the surplus in that country is immobilized, so far as commercial offers on world markets are concerned. The world at the moment has about 300,000,000 bushels of wheat more than would represent a reasonably satisfactory supply, and at least 250,000,000 bushels of that are in the United States.

If, that quantity stays locked up there during another sixteen months, it would not be difficult to restore equilibrium between supply and demand in the rest of the world. Europe has been somewhat slow to realize the likelihood of continued immobilization of the United States carry-over, and practically every compilation of figures of available world supplies continue to include stocks in that country. Nor is the market in the United States quite sure yet that such a condition can be maintained, although any uneasiness on that score seems to be decreasing.

**Russian Situation**

Russia has disappeared from its position of a few years ago as a bogey in the wheat market. That country has, in recent years, exported a total of 200,000,000 bushels of wheat, which is one of the principal reasons why there is now a world surplus, but it now appears that those supplies could ill be spared, and that Russia as a result is stripped of reserves. Such small quantities as she has shipped during the current crop year may yet have to be replaced by imports. Both preparation and seed for the fall wheat crop and the spring wheat crop are believed to have been and to be inadequate, and Russia is not expected to re-emerge as an influence in export markets for some time.

Up until a year ago there were surpluses of wheat in Roumania, Hungary, Bulgaria, and Jugo Slavia, the disposition of wheat resulted in extraordinary efforts on the part of the governments of those countries, and some special treaty arrangements with Germany and France. But partial crop failures in 1932 cleaned up those surpluses, and the Danubian countries have difficulty in meeting even their own needs during the current year.

**Nature Helps Western Europe**

Only one thing appears to have prevented the world from having to draw fairly heavily upon accumulated wheat surpluses during the current year, the fact that Western Europe produced in 1932 extraordinarily large wheat crops. possibly the largest ever harvested. Nature lent her assistance to France, Germany, Italy and to some other countries in their endeavors to achieve complete or partial independence of wheat imports. But the great production appears to have been due much more to unusually favorable weather than to the will to produce wheat, and it will be reasonable to expect production of more ordinary size in subsequent years.

Such in brief outline is the situation that appears to point to some improvement in the wheat market. That it does not attract more buying is due to the fact that millers can see plentiful supplies of wheat ahead of them for some months yet, so there is little pressure from ordinary commercial as opposed to speculative buying. Moreover, at the moment the market is carrying a heavy burden, not only in the large supplies of wheat in elevators in North America, but the supplies of Argentine and Australian wheat which have been put afloat.

The market in the United States is watching for the final disappearance of the operations of the Farm Board in order to be sure that price fluctuations are the result of ordinary commercial forces, while it is known that there is a large Canadian government position to be disposed of.

**Technical Gain Possible**

And, just at the moment when it has become clear that the Argentine crop, although fairly large, is somewhat poor in quality, and that the Australian crop is finding an excellent outlet in the Orient, further financial disturbances have taken place in the United States. Improvement, however, in the technical position of the market during the next five months is a possibility, with the gradual disappearance of Canadian and United States supplies which are now being carried. This might make itself more apparent in July, when the usual rush of United States winter wheat will not be felt.

Australia and the Argentine have crowded Canada somewhat to the background in the first rush of their new crop marketings, but there appears to be a long period ahead during which these three countries, relieved of United States and of Russian competition wil be supplying a larger percentage of the needs of importing countries than has ever before been the case. While new factors previously unsuspected, may enter the market at any time, that is the essential element that is looked to for strength in coming months.

## Flour Exports During January Continued to Rise

Canadian exports of wheat flour in January totalled 397,304 bbls., compared with 331,806 bbls. in the same month of 1932. January was the third successive month in which an increase was registered. Decreased exports in August, September and October, however, have not been fully offset by the increases in November, December and January. Total flour exports for the six months ended Jan. 31, 1933, are, therefore, lower than for the corresponding six months period in the 1931-32 crop year. The total for the current crop year to Jan. 31 was 2,710,490 bbls., compared with 2,896,805 a year previous.

Great Britain continued to take more Canadian flour than any other country in January and in the six months ended Jan. 31. There was an increase in the proportion of the total exports taken by the United Kingdom in the six months ended Jan. 31, from 38.5 per cent, in the same six months of the 1931-32 crop year, to 45.3 per cent in the current period.

### Winnipeg Grain Prices

Week to February 28

| Crop year from Aug. 1, 1932 High | Low | | Open Feb. 22 | High for week | Low for week | Close Feb. 21 |
|---|---|---|---|---|---|---|
| | | **Wheat** | | | | |
| .67⅝ | .40½ | May | .48⅝ | .49 | .46⅞ | .47⅞ |
| .54⅞ | .41⅝ | July | .49½ | .49⅞ | .47⅞ | .49 |
| .51 | .46⅞ | October | .50¾ | .51 | .49¼ | .50¼ |
| | | **Oats** | | | | |
| .29⅛ | .21⅛ | May | .25¼ | .25⅜ | .24½ | .25¼ |
| .26 | .21½ | July | .24⅛ | .24¼ | .23 | .23⅜ |
| .28½ | .21⅞ | October | .22⅞ | .23 | .22 | .22½ |
| | | **Barley** | | | | |
| .38½ | .26⅛ | May | .29⅝ | .29⅜ | .28⅝ | .29 |
| .35¾ | .26 | July | .. | .29¼ | .28½ | .28⅝ |
| .29½ | .27½ | October | .28¾ | .28⅞ | .27½ | .27⅝ |
| | | **Flax** | | | | |
| .94 | .71¼ | May | .80¼ | .80⅝ | .78⅜ | .79 |
| .84½ | .71⅝ | July | .80 | .80 | .78⅜ | .79⅜ |
| .84 | .76 | October | .79¾ | .79⅞ | .78½ | .79¾ |
| | | **Rye** | | | | |
| .42⅞ | .30¼ | May | .34 | .34¼ | .32⅜ | .33½ |
| .37 | .31 | July | .. | .34¾ | .33½ | .33⅞ |
| .36⅛ | .34 | October | .. | .35⅛ | .34 | .34 |

## British Market Receptive to Canadian Farm Produce

### Small Reciprocal Trade from Present Suppliers Turns Britain to New Sources — Canada's Opportunity Centres on the Pig, Says Expert

That lack of reciprocal trade by foreign countries supplying the British market with foodstuffs rendered that market receptive to increased imports from Empire countries, even before Imperial preferences were instituted, and the combination of these two factors opens up an extremely important outlet for Canadian farm produce, is the conclusion arrived at by J. E. Lattimer, head of the Department of Agricultural Economics, McGill University, following an exhaustive study of the situation, the results of which have recently been published.

The seven chief countries exporting foodstuffs to Great Britain supplied that country with goods to the value of nearly $400,000,000 in 1930, he asserts, while their imports from Great Britain amounted to only $141,000,000. Obviously, it is pointed out, if the countries supplying Britain with foodstuffs had taken in exchange some other products they might have continued the movement, but, having failed to do so, according to the records of 1930, the tendency during the following years has naturally been for Britain to purchase in countries where an equally large market exists for her goods.

**Many Difficulties**

With fiscal legislation in Canada's chief markets for farm products making it daily more difficult for this country to find an outlet for these goods, it would seem imperative that Canada secures as large a share as possible of the British market, according to Mr. Lattimer. There are, however, a number of difficulties in the way which can be roughly enumerated as follows: the tenacity of those countries now supplying the market; the preference of Canada for following other types of farming; and the likelihood of lower profits from the export market than have recently prevailed in the domestic market.

The countries which are already successfully in the field in supplying the British market have built up their position slowly but steadily. Some of them have no alternative available and some of them have borrowed money from Britain. Trade follows investments rather than the flag in most cases as, when goods are not taken in payment of debts, then debts are simply deferred.

**Britain Ready For Change**

Britain, at the present time, is more anxious to export goods than to loan money and if those foreign countries will not accept goods in exchange for their products and cannot secure the loans, or do not need them, they must necessarily lose the market—if some other country with a more pressing claim either in debts or goods can supply it.

World trade figures show that Great Britain is not only the largest individual market for food products but also that it is the steadiest. Many other countries import quantities of food in years when their domestic crops are smaller than usual but in other years these imports dwindle to almost nothing. Britain has not only maintained a steady demand for a large variety of foodstuffs but has actually increased this demand from year to year.

**Increased Imports**

In the following compilation the increase in Great Britain's imports from pre-war years is shown. It will be noted that wheat and flour imports have varied but little and that the largest increases have taken place in bacon, butter and condensed milk. With the decline in world trade generally regretted it is interesting to find any line which shows such general expansion. Apparently, supplying the demand in Britain for food is an industry offering fairly regular employment.

**Expansion of British Food Imports**

| | 1909-14 Average | 1924-29 Average | |
|---|---|---|---|
| Wheat, bu. | 217,700,000 | 225,300,000 | |
| Flour, bbls | 5,193,000 | 4,473,000 | |
| | 1911-13 Average 000 cwt. | 1924-26 Average 000 cwt. | 1931 Total 000 cwt. |
| Butter | 4,149 | 5,653 | 8,071 |
| Cheese | 2,316 | 3,000 | 2,885 |
| Condensed milk | 1,210 | 2,288 | 2,801 |
| | cwt. | cwt. | cwt. |
| Bacon | 4,787 | 7,610 | 11,138 |
| Lard | 1,627 | 831 | 2,549 |
| Hams | 903 | 1,449 | 831 |
| Poultry | 262 | 360 | 667 |
| | Gt. hds. | Gt. hds. | Gt. hds. |
| Eggs | 19,906 | 21,423 | 25,920 |

**Canada's Lost Opportunity**

While Canada has been taking a premier position in world markets as an exporter of grain this increased demand for other farm products has been going on in Great Britain without Canada attempting to profit by it. In fact, during this period, exports of farm produce other than grains and flour have been steadily declining. So long as surplus supplies of grain can be disposed of, this condition causes no alarm, but when the market for grain shrinks, as it has done during the past three years, the situation is entirely different.

How to change farm production to create a surplus of bacon, butter, cheese, etc., is therefore the problem. The adaptability of the bulk of farm land in Canada to the production of small grains is conceded so that the problem then resolves itself into a change in the form in which this grain is sent to market rather than a change in the system of farming. There is a machine which is so far unequalled for transforming surplus grain into a product which happens to have shown the greatest expansion in British importations of food products in recent years, and which has also been the product supplied by foreign countries, according to Mr. Lattimer. That machine is the pig.

**Propitious Time**

Canadian farmers have, in the past, frequently started in the business of raising hogs and have given up as promptly when profits were disappointing. But with British imports of bacon valued at £18 millions more in 1931 than in pre-war years and with foreign countries supplying more than 96 per cent of the total imports in that year it would appear that never has there been a better time to start and stay in the business than the present. Add to this the fact that there is a preference in the British market available, and a quota of 2,500,000 cwts. allowed, and the position becomes even more favorable.

There are a number of difficulties in the way of establishing this market in Great Britain, however, the most important being that uniformity and regularity of supply are imperative. This means that it is necessary to stay in the market even when profits are non-existent in order to retain that market when profits are possible.

**Compete With Denmark**

To wrest the market from the Danes who have concentrated in this line in post-war years will not be easy, says Professor Lattimer. Although the majority of the feed has to be imported into the country, specialized production has made it possible for the Danes to supply the majority of Great Britain's wants at a competitive price. Furthermore, with tariffs hindering exports to almost all other European countries, the Danes will cling tenaciously to the British market even in the face of a tariff barrier or a preference to their competitors. At the present time Canada does not produce the type of product popular in the British market. This, of course, is an added difficulty in the way of capturing some part of the British trade.

**Farmer Needs Help**

In the face of these difficulties but with the advantage of a surplus of cheap grain to provide feed Canada must attempt to gain a foothold in the British market. Mr. Lattimer sums up the situation as far as bacon is concerned as follows:

> "The extent to which Canada may benefit from this opportunity will then depend upon many factors, including the capacity of the western farmer both to produce the type of bacon the market demands and to feed hogs cheaply enough to make possible a profit greater than may be obtained by marketing grain in other ways.
>
> "In addition to this influence will be the degree of mutual assistance and co-operation extended by those who transport, process and market the product in the more concentrated form. This business will only be established against the competition now prevailing from other countries built on the foundation of cheap labor and low profits. The farmer should not be the only interested individual expected to work for small returns for the sake of future national benefit."

**Other Products**

To a lesser extent the same situation exists with regard to poultry and eggs although the expansion in imports of these products has not been on the same scale as bacon. It is interesting to note that the German Government recently disposed of 2,750,000 bushels of wheat at slightly reduced prices to be used as chicken feed. This method might not be capable of absorbing a large portion of the surplus but as an alternative method of marketing the lower grades of feed grains it would appear to be much more profitable than storing them.

## SIDNEY T. SMITH DOES NOT PREFER U. S. GRAIN ROUTE

### Says Reliance Grain Co. Only Wants to Use Cheapest Route

Sidney T. Smith, president of the Reliance Grain Co., Winnipeg, has denied charges that he has persisted in using United States ports for export grain shipments in preference to Canadian ports, when he knew that Canadian ports could handle the trade more cheaply, and when he knew such a policy would benefit American workers in preference to Canadians.

Mr. Smith's firm has sponsored the two shipments sent from New York on the S.S. Laconia and the S.S. Britannic to test the British customs ruling on the Imperial preference in respect of Canadian grain shipped through the United States. In an authorized interview, Mr. Smith has given his viewpoint, and is quoted, in part, as follows:

**Says Charge Absurd**

"This charge is, of course, absurd. As one whose business it is to sell Canadian wheat abroad under a highly competitive system, it requires no stretch of imagination to appreciate that my company could not long remain in the export trade if it persisted in shipping its wheat through channels exacting a higher toll of charges than those available to its competitors.

"In advocating the re-opening of the Buffalo route, I do so because I feel it is in the national interest to maintain unhampered all channels of movement. If it is cheaper to ship Canadian wheat through the Maritime ports, the grain will naturally go that way. That is simple economics. Under such conditions the Buffalo route could be ignored. But we in the export trade know only too well that conditions are continually changing and that the port which is the cheapest today might be unable to compete tomorrow. That is why it is necessary to keep all routes open if Canadian wheat is to be competitive on the world market and the surplus disposed of as quickly as possible . . .

**Using All Routes**

"The Reliance Grain Co. has not favored one route against another in selling Canadian wheat," Mr. Smith concluded. "We have used and are still using all available routes, including the Maritime ports, United States Atlantic ports and Vancouver, and if Churchill offers us advantages we will not hesitate to use that port as well.

"Absolute freedom in trade routes is necessary, in my opinion, for the export of Canada's wheat surplus, and I am thoroughly convinced that it is in the best interests of the Dominion as a whole fully to preserve every available outlet for the wheat of Western Canada. I am just as anxious as any one else to see Canadian facilities used as much as possible, but not if it means a further tax on the grain grower who absorbs all transportation charges, and who is already greatly overburdened."

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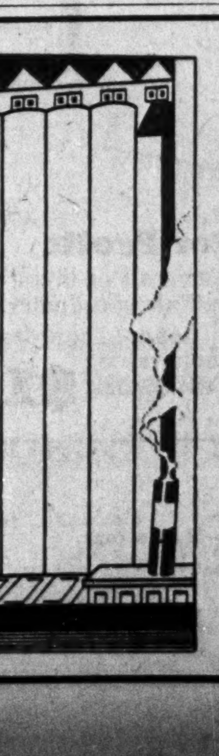

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# WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

# REALTORS STUDY HOUSE OF FUTURE CHANGE IS GREAT

## Shop Fabricated Sections Would Revolutionize Building Methods

Future developments in the construction of small homes costing not more than $10,000 may be indicated in a report submited to the members of the National Association of Real Estate Boards. The time-honored fashion of building houses from the ground up may be changed to shop fabricated sections and impetus will be given to new methods when capital, technical skill and salesmanship have been applied to the house problem as they have to the automobile problem. Most of the future changes in home building seem to be predicated upon shop manufacture.

A shop will turn out floors and walls for a room, each in one sheet which can be transported to the site, set and fastened in place. Stairways and chimneys in one or more pieces will be put into position as the assembly proceeds. Bath rooms and kitchens complete with all fixtures inside, which can be moved like huge piano boxes, will form part of the structure. Great savings in cost are possible if bathrooms and kitchens are completed in the shop and the pipes and wires connected to the house mains when they are put into place. There appears to be no good reason why small bedrooms should not be furnished in the shop with built-in beds, dressers, closets and complete with lighting fixtures and decorations.

### Will Look Different

Very likely the small house of the future will not resemble the houses we live in now. Even if they are plain and box-like they may gradually be considered good architecture because they show honesty of purpose and the logical use of materials. Shop fabricated houses need not be monotonous, in appearance, because the effect should be so designed that, by making a selection from the available stock, houses can be assembled having a different number and arrangement of rooms and a different outside appearance. These shop fabricated houses will probably have no cellars or very small ones and the roof will be flat and thus available for living and sleeping.

Of the usual building materials probably metals, plastics and wood are most suitable for shop fabricated houses. Fabricated sections made of metal will undoubtedly be welded as the price of tubes having thin walls decreases. They will probably be extensively used as structural members of small houses. Plaster should be unnecessary in the shop fabricated house. What is the most satisfactory finish for the outside surface of walls is a problem. Stainless steel and aluminum resist corrosion, but these materials are expensive. Enamelled shingles may prove to be best outside surface.

Plumbing in the shop fabricated house should be simplified and the fixtures, sink, bath tub, etc., built into the structure. Tubes having thin walls should be used and the joints welded. These tubes should be enclosed in the fabricated sections while in the shop and when the sections are assembled the connections made by welding. No radical changes seem necessary in the lighting equipment.

Either natural or manufactured gas will be used for most heating of houses in the compact community, according to the report. This is particularly applicable to the United States and certain sections of Canada. Air conditioning, although it is widely used in factories, offices and stores, takes equipment which is too expensive at present for the moderate priced home and the cost of operation is too great. For most existing houses, the air leaks around doors and windows and the lack of insulation in the walls makes the cost of air conditioning expensive.

# TRADE NOW AWAITS SPRING REVIVAL

## Reports to Bradstreet's Show Little Activity in Any Line

Reports to Bradstreet's on business conditions in the leading cities of Canada for the week are as follows:

Saint John, N.B.—Little change in either wholesale or retail trade, below normal in almost all lines. Fair demand, however, for winter sports lines. Collections remain fair to slow.

Quebec, P.Q.—No change of importance in local conditions during the past week. Wholesalers report orders coming in slowly and in moderate amounts Retail is also quiet and prices are at a level which is scarcely remunerative without large volume. The heavy fall of snow has given temporary employment to a few hundred men. Collections still slow.

Montreal P.Q.—No change of importance in the retail situation; department stores volume being maintained by specially advertised low priced offerings. Boots and shoes are in demand. No improvement in collections.

Ottawa, Ont.—Trade and industry remain in much the same condition as they have been.

Toronto.—Wholesale circles generally continue quiet with the exception of foodstuffs which are fairly active. Provisions and groceries are in fair request but in some cases where they are being sold for relief purposes the prices obtained are so low that there is no profit or very little profit in them. Retail trade generally is just fair. During the cold snap there was a better movement of coal and some such lines while there was a little stimulus to cold weather lines of furnishings and clothing but not as much as there would have been, had the cold snap come earlier. Collections are unchanged.

Hamilton, Ont.—Manufacturing operations here remain quiet, being affected by the dullness in construction. Demand at retail stores is just fair being stimulated by the cut price sales that are being offered. Wholesale trade is quiet. Collections fair.

London, Ont.—Retail trade is fairly well maintained but the volume is much below normal and prices almost preclude anything like a fair profit being made. Industrial conditions showing little change.

Windsor, Ont.—Business remains quiet, with demand for goods at wholesale and retail moving slowly.

Winnipeg, Man.—Outside of groceries and provisions, business at both wholesale and retail has been little changed. Larger stores are running extensive sales and this makes the going more difficult for some of the smaller units.

Calgary, Alta.—Retail and wholesale trade here remains quiet except in the case of groceries and provisions. Little change in industrial or employment conditions.

Vancouver, B.C.—Trading in both wholesale and retail circles here has been very quiet and unfavorable weather has delayed the progress and resumption of industry.

# More Radio Licenses Issued This Year Than Last

Radio licences issued in Canada for the nine months ended December, 1932, numbered 684,867, considerably more than the total of 598,358 issued during the entire fiscal year ended March, 1932.

Montreal is the leading city with 115,834 licences in the nine months, followed by Toronto with 88,913, Winnipeg 32,409 and Vancouver 30,727. Saskatchewan is the only province which records a smaller total of licences in the nine months of this year compared with last, the comparative figures being 29,583 and 31,487. All the larger cities, including those in Saskatchewan, have larger totals in the nine months' period.

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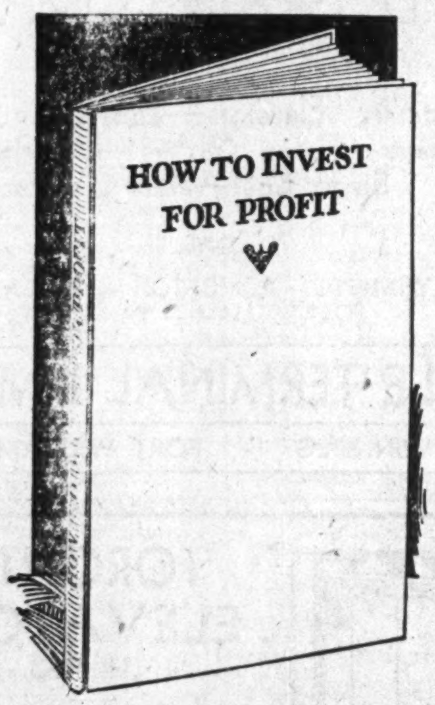
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## Montreal, Toronto and Curb Markets

WEEK ENDING FEBRUARY 27

| Range 1933 High | Range 1933 Low | Divd. Rate in $ | Yield in % Feb. 25 | | Sales | Close Feb. 20 (or last) | Week Ending Feb. 27 High | Low | Close |
|---|---|---|---|---|---|---|---|---|---|
| | | | | A | | | | | |
| .37 | .20 | . | ... | Abitibi ... | .... | .25 | .. | .. | .. |
| 1⅞ | 1 | . | ... | Do. pref. 6%. | 100 | 1½ | 1⅝ | 1½ | 1⅝ |
| x80 | 80 | 7 | ... | Acme F. D'y p | .... | .. | .. | .. | .. |
| x5 | 4½ | . | ... | Agnew Surp... | .... | .. | .. | .. | .. |
| 60 | 60 | 7 | 11.7 | Do. pref. ... | .... | 60 | .. | .. | .. |
| 4 | 3½ | . | ... | Alta. Pac. Gr.. | .... | 3½ | .. | .. | .. |
| 21½ | 20 | . | ... | Do. pref. ... | .... | 20½ | .. | .. | .. |
| x3½ | 1½ | . | ... | Amal. Electric | .... | .. | .. | .. | .. |
| 4 | 4 | . | ... | Do. pref. ... | .... | 4 | .. | .. | .. |
| †3½ | 3½ | . | ... | Anglo. N. Hold. | .... | .. | .. | .. | .. |
| .25 | .15 | . | ... | Asbestos .. .. | .... | .. | .. | .. | .. |
| .60 | .60 | . | ... | Do. pref. ... | .... | .60 | .. | .. | .. |
| 5 | 4 | . | ... | Assoc. Brew... | 5 | 4 | 4 | 4 | 4 |
| 72 | 65 | 7 | 10.8 | Do. pref. ... | .... | 65 | .. | .. | .. |
| x3 | 3 | . | ... | Assoc. Can. .. | .... | .. | .. | .. | .. |
| 17 | 14½ | 2 | 13.3 | Humberstone S | .... | 14½ | .. | .. | .. |
| 8 | 5 | 1 | 20 | Hunt (A) .... | 70 | 5½ | 5 | 5 | 5 |
| †28½ | 12½ | 1 | ... | Do. (B) .... | .... | .. | .. | .. | .. |
| 102 | 83 | 8 | 9.4 | Huron & E. Mt. | 4 | 87½ | 85 | 83 | 83 |
| 18 | 14 | . | ... | Do. 20% pd.. | .... | 14½ | .. | .. | .. |
| x11½ | 4½ | . | ... | Hydro Electric | .... | 6 | .. | .. | .. |
| | | | | I | | | | | |
| 158 | 140 | 10 | 7.1 | Imperial Bank. | 20 | 150 | 148½ | 140 | 140 |
| 9½ | 8 | 50c | 5.9 | Imperial Oil .. | 8915 | 8 | 8½ | 8 | 8½ |
| 8½ | 7 | 35c* | 4.4 | Imperial Tob. . | 1530 | 8 | 8 | 7⅞ | 7⅞ |
| †80 | 80 | 8 | ... | Inter. Coal, p. | .... | .. | .. | .. | .. |
| x6 | 6 | . | ... | Int. Hyd. E. A. | .... | 6 | .. | .. | .. |
| 100 | 98 | 7 | 7.1 | Inter. Mill. pf. | 10 | 98½ | 99 | 99 | 99 |
| 85 | 84 | 6 | 7 | Do. Series A | 50 | 85 | 85 | 85 | 85 |
| 10⅝ | 8½ | . | ... | Inter. Nickel . | 42707 | 9½ | 9½ | 8½ | 8½ |
| x4 | 4 | . | ... | Inter. Paints . | .... | 4 | .. | .. | .. |
| 55 | 55 | 7 | 12.7 | Do. pref. ... | .... | 55 | .. | .. | .. |
| †91 | 85 | . | ... | W. Steel Pr. p | .... | .. | .. | .. | .. |
| 20½ | 18 | 1 | 5.3 | Weston Bisc. . | 5 | 19 | 19 | 19 | 19 |
| 71 | 67 | 7 | 10.4 | Do. pref. ... | 60 | 69 | 68 | 67 | 67 |
| 3 | 3 | . | ... | Windsor Hotel | .... | 3 | .. | .. | .. |
| 10 | 9 | . | ... | Do. pref. ... | 5 | 10 | 9 | 9 | 9 |
| 3½ | 2½ | . | ... | Winnipeg Elec. | 165 | 3 | 3 | 2½ | 2½ |
| 8 | 5 | . | ... | Do. pref. ... | 95 | 6 | 5 | 5 | 5 |
| †46 | 46 | . | ... | Woods Mfg. p.. | .... | .. | .. | .. | .. |
| | | | | Z | | | | | |
| x1 | 1 | . | ... | Zimmerknit, c. | .... | 1 | .. | .. | .. |

x Quotations for 1932. No sales recorded in 1933 to date.
† Quotations for 1931.
‡ Quotations for 1930.
b New York Quotations.
♠ Stock dividend.
♦ On account of arrears covering quarter ended Mar. 31, 1932.
* Plus final dividend of 17½c. payable Mar. 31.

## Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
February 28, 1933

| Industrial Bonds: | Bid | Asked |
|---|---|---|
| Abitibi P. & P. 5% 1953 | 16.00 | 17.25 |
| Acadia Sugar 6% 1946 | 86.00 | .... |
| Alta. Pac. Grain 6% 1946 | 74.00 | 77.00 |
| American Sales Book 6% 1939 | 106.00 | .... |
| Arnold Bros. 6% 1947 | 25.00 | 35.00 |
| B. A. Oil 5% 1945 | 87.00 | 89.00 |
| Can. Biscuit 6½% 1946 | .... | 26.00 |
| Can. Bread 6% 1941 | 84.00 | 87.00 |
| Can. Cement 5½% 1947 | .... | 60.00 |
| Can. Steamship 6% 1941 | 13.00 | 15.00 |
| Can. Bakeries 6½% 1945 | 50.00 | 60.00 |
| Can. Canners 6% 1950 | 74.50 | 78.00 |
| Can. Copper Refin. 6% 1945 | 104.00 | .... |
| Can. Cottons 5% 1940 | 83.00 | 86.00 |
| Can. Vickers 6% 1947 | 61.00 | 64.00 |
| Cons. Invest. 4½% 1959 | 25.00 | .... |
| Cosmos Imp. Mills 6½% 1944 | 82.50 | 87.00 |
| Davies, Wm. 6% 1942 | 86.00 | 90.00 |
| Debenture & Sec. 4% 1936 | 53.00 | 56.00 |
| Dom. Manufacturers 6% 1933 | 95.00 | .... |
| Dom. Tar & Chemical 6% 1949 | 56.00 | 59.00 |
| Dom. Telegraph 5½% 1978 "A" | 86.00 | 88.00 |
| Dom. Textile 6% 1949 | 99.00 | .... |
| Dom. Woollens 6% 1948 | 13.00 | 16.00 |
| Donnacona Paper 5½% 1948 | 15.00 | 18.00 |
| Eaton Realty 5% 1949 | 78.00 | 80.00 |
| Famous Players 6% 1948 | .... | 60.00 |
| Famous Players 6½% 1948 | .... | 40.00 |
| Federal Grain 6% 1949 | 74.00 | 77.00 |
| Fraser Cos. 6% 1932 | 10.00 | .... |
| Fraser Cos. 6% 1950 | 10.00 | .... |
| Galt Brass 7½% 1941 | .... | 80.00 |
| Goodyear Cotton 6% 1949 | 98.50 | .... |
| Great Lakes Paper 6% 1950 | 17.50 | 19.00 |
| Gypsum, Lime & Alab. 5½% 1948 | 25.00 | 30.00 |
| Harris Abattoir 6% 1947 | 87.00 | 90.00 |
| Howard Smith 5½% 1953 | 55.50 | 58.00 |
| Loew's Toronto 6% Serial | 100.00 | .... |
| London Realty 6½% 1950 | 34.00 | 39.00 |
| Maple Leaf Milling 5½% 1949 | 34.00 | 40.00 |
| Massey-Harris 5% 1947 | 50.00 | 56.00 |
| McColl-Frontenac 6% 1949 | 85.00 | 87.00 |
| McKinnon Industries 6½% 1945 | 98.50 | .... |
| Mercury Mills 5½% 1953 | .... | 40.00 |
| Metropolitan Bldg. 7% 1944 | 88.00 | .... |
| Nor. Ont. Bldg. 6½% 1939 | 61.00 | 65.00 |
| Price Bros. 6% 1943 | 28.00 | 31.00 |
| Richmond Bay 6½% 1947 | 63.00 | 67.00 |
| Rolland Paper 5½% 1948 | 74.00 | .... |
| Simpson's Ltd. 5½% 1949 | .... | 40.00 |
| Simpson's Ltd. 6% 1949 | 40.00 | 45.00 |
| Steel of Canada 6% 1940 | 103.00 | 106.00 |
| Toronto Carpet 6% 1944 | 75.00 | 80.00 |
| United Gas & Fuel 5½% 1948 | 50.00 | 55.00 |
| United Grain Growers 5% 1948 | 76.00 | 79.00 |
| United Grain Growers 5½% 1949 | 78.00 | 80.00 |
| Western Grain 6% 1949 | 60.00 | 65.00 |
| **Public Utility Bonds:** | | |
| Bell Telephone 5% 1955 | 106.50 | 108.00 |
| Bell Telephone 5% 1957 | 106.00 | 108.00 |
| B. C. Power 5½% 1960 | 80.00 | 83.00 |
| B. C. Telephone 5% 1960 | 88.50 | 91.00 |
| Calgary Power 5% 1960 | 74.00 | 76.00 |
| Can. Northern Pwr. 5% 1953 | 75.00 | 78.00 |
| Duke Price Pwr. 6% 1966 | 55.00 | 60.00 |
| Elect. Develop. 5% 1933 | 117.00 | 120.00 |
| French Natl. Mail SS 6% 1952 | 122.00 | 125.00 |
| Gatineau Pwr. 6% 1941 "A" | 50.00 | 53.00 |
| Gatineau Pwr. 5% 1956 | 75.00 | 76.25 |
| Maclaren Quebec 5½% 1961 | 70.00 | 73.00 |
| Manitoba Power 5½% 1951 | 47.00 | 50.00 |
| Montreal Isl. Pwr. 5½% 1957 | 89.00 | 103.00 |
| Montreal LH&P 5% 1951 | 100.00 | 103.00 |
| Montreal LH&P 5% 1970 | 97.50 | 100.00 |
| Montreal Tram. 5% 1941 July | 97.00 | 99.00 |
| Montreal Tram. 5% 1955 | 72.00 | 74.00 |
| Northwest. Utilities 7% 1938 | 90.00 | 95.00 |
| Ottawa Valley Pwr. 5½% 1970 | 97.00 | 99.00 |
| Quebec Power 5% 1968 | 89.00 | 92.00 |
| Rio Tramways 5% 1935 | 93.00 | .... |
| Shawinigan W&P 4½% 1970 | 62.50 | 65.00 |
| Shawinigan W&P 5% 1970 | 65.00 | 70.00 |
| Shawinigan W&P 6% 1937 | 88.00 | 90.00 |
| Southern Can. Pwr. 5% 1955 | 96.00 | 98.00 |
| West Kootenay Pwr. 5% 1956 | 91.00 | 93.00 |
| **Government, Provincial & Railway Bonds:** | | |
| C.N.R. 4½% 1951 Dom. Gtd. | 97.50 | 99.50 |
| C.N.R. 4½% 1957 Dom. Gtd. | 97.00 | 98.00 |
| C.N.R. 5% 1969 Dom. Gtd. | 102.00 | 103.00 |
| C.P.R. 4½% 1944 | 65.00 | 68.00 |
| C.P.R. 5% 1954 | 75.00 | 78.00 |
| Dom. of Can. 5% 1936 | 101.50 | 102.50 |
| Dom. of Can. 5% 1941 | 102.00 | 103.00 |
| G.T.P. 3% 1962 Dom. Gtd. | 77.00 | 79.00 |
| G.T.P. 4% 1962 Dom. Gtd. | 92.00 | 93.00 |
| Ont. Hydro 3½%, 4%, 5%, 1952 Ont. Gtd. | 88.50 | 89.75 |
| Ont. Hydro 4¾% 1970 Ont. Gtd. | 98.00 | 99.50 |
| Ont. Hydro 4% 1957 Ont. Gtd. | 90.50 | 92.00 |
| Prov. of N. B. 5½% 1950 | 100.00 | 102.00 |
| Prov. of Ont. 4½% 1944 | 100.00 | 101.00 |
| Prov. of Ont. 5% 1948 | 101.50 | 103.00 |
| Prov. of Ont. 5½% 1947 | 105.50 | 107.00 |

## Dividends Declared

| | Present Annual rate | Amt. this payment | Date payable | Date of record |
|---|---|---|---|---|
| Agnew Surpass, pref. | 7% | 1¾% | Apr 1 | Mar. 15 |
| Bell Telephone | 6% | 1½% | Apr. 15 | Mar. 23 |
| Brit. Col. Power "A" | $2 | 50c | Apr. 15 | Mar. 31 |
| Brazilian Traction, pfd. | 6% | 1½% | Apr. 1 | Mar. 15 |
| Burt, F. N. | $2 | 50c | Apr. 1 | Mar. 15 |
| Do., pref. | $7 | $1.75 | Apr. 1 | Mar. 15 |
| Brit. Amer. Oil (No. 12) | 80c | 20c | Apr. 1 | Mar. 18 |
| Bk. of Nova Scotia | $14 | $3.50 | Apr. 1 | Mar. 16 |
| Belding Corticelli, pfd. | 7% | 1¾% | Mar. 15 | Feb. 28 |
| Can. Northern Power | 80c | 20c | Apr. 25 | Mar. 31 |
| Do., pref. | 7% | 1¾% | Apr. 15 | Mar. 31 |
| Canadian Oil, pref. | 8% | 2% | Apr. 1 | Mar. 20 |
| Canadian Car, pref. | $1.75 | 44c | Apr. 10 | Mar. 27 |
| Canada Malting | $1.50 | 37½c | Mar. 15 | Feb. 28 |
| Can. Perm. Mortgage | $10 | $2.50 | Apr. 1 | Mar. 15 |
| Dominion Textile | $4 | $1 | Apr. 1 | Mar. 15 |
| Do., pref. | $7 | $1.75 | Apr. 15 | Mar. 31 |
| Dominion Bank | $10 | $2.50 | Apr. 1 | Mar. 20 |
| Dominion Bridge | $2 | 50c | May 15 | Apr. 29 |
| Dominion Stores | $1.20 | 30c | Apr. 1 | Mar. 15 |
| Dome Mines | $1 | 25c | Apr. 20 | Mar. 31 |
| Do., extra | ... | 20c | Apr. 20 | Mar. 31 |
| Hamilton Un. Theatres, pfd. | $7 | $1.75 | Mar. 31 | Feb. 28 |
| Imperial Tobacco, c. | 35c | 8¾c | Mar. 31 | Mar. 1 |
| Do., final | ... | 17½c | Mar. 31 | Mar. 1 |
| Do., pref. | 6% | 3% | Mar. 31 | Mar. 1 |
| Inter. Petroleum (No. 36) | $1 | 25c | Mar. 15 | Feb. 28 |
| Do., pref. | $1 | 25c | Mar. 15 | Feb. 28 |
| Inter. Proprietaries "A" | $2.60 | 65c | Mar. 15 | Feb. 25 |
| Do., extra | ... | 5c | Mar. 15 | Feb. 25 |
| Intern. Coal & Coke | ... | 2% | ...... | Feb. 28 |
| Jamaica Pub. Service | $1 | 25c | Apr. 1 | Mar. 17 |
| Do., pref. | $7 | $1.75 | Apr. 1 | Mar. 17 |
| Lake Shore Mines | $2 | 50c | Mar. 15 | Mar. 1 |
| McColl-Frontenac, com. | 60c | 15c | Mar. 15 | Feb. 15 |
| Montreal Loan & Mortgage | 12% | 3% | Mar. 15 | Feb. 28 |
| Do., Bonus | .... | 1% | Mar. 15 | Feb. 28 |
| Montreal Cottons, pref. | 7% | 1¾% | Mar. 15 | Feb. 28 |
| Nat. Breweries | $1.60 | 40c | Apr. 1 | Mar. 15 |
| Do., pref. | $1.75 | 44c | Apr. 1 | Mar. 15 |
| Nat. Sewer Pipe "A" | $2.40 | 60c | Mar. 15 | Feb. 28 |
| National Biscuit | $2.80 | 70c | Apr. 15 | Mar. 17 |
| Northern Ont. Power | $2 | 50c | Apr. 25 | Mar. 31 |
| Do., pref. | 6% | 1½% | Apr. 25 | Mar. 31 |
| Perfect Circle | $2 | 50c | Apr. 1 | ....... |
| Pioneer Gold, B.C. | 24c | 6c | Apr. 1 | Mar. 10 |
| Page-Hersey Tubes, c. | $3 | 75c | Apr. 1 | Mar. 20 |
| Do., pref. | 7% | 1¾% | Apr. 1 | Mar. 20 |
| Reliance Grain, pref. | 6½% | 1⅝% | Mar. 15 | Feb. 28 |
| Siscoe Gold Mines | 12c | 3c | Mar. 31 | Mar. 10 |
| Southern Can. Power, pfd. | 6% | 1½% | Apr. 15 | Mar. 20 |
| Walker, Hiram, pref. | $1 | 25c | Mar. 15 | Feb. 24 |

**Dividends Passed or Deferred:**

Canada Wire & Cable, pref. Mar. 15, deferred. Last paid 1⅝% Dec. 15, 1932

Montreal Cottons, c. Mar. 15, passed. Last paid $1.50 Dec. 15, 1932.

National Sewer Pipe, com. Mar. 15, passed. Last paid 15c. Dec. 15, 1932.

Standard Clay Products, c. Feb. 15, passed. Last paid $2 Feb. 15, 1932.

Standard Steel Construction, pref. Apr. 1, passed. Last paid 75c. Jan. 1, 1933.

**Dividend Rate Reduced:**

Burt, F. N., com. Apr. 1, $2.40 to $2 per annum.
Dominion Textile, com. Apr. 1, $5 to $4 per annum.
Bell Telephone, Apr. 15, $7 to $6 per annum.
Can. Permanent Mortgage, Apr. 1, $12 to $10 per annum.

**Extra Dividends:**

Imperial Tobacco, c. 17½c. final div., Mar. 31.
International Proprietaries, "A" 5c., Mar. 15.
Montreal Loan & Mortgage, 1%, Mar. 15.

## Winnipeg Stock Exchange

(Transactions for week to Feb. 25)

| Div. Rate in $ | Yield in % | | Sales | High for week | Low for week | Close Feb. 25 |
|---|---|---|---|---|---|---|
| .. | .. | Arno | 500 | .04½ | .04½ | .04½ |
| .. | .. | Bobjo | 1,100 | .14 | .12½ | .13 |
| .. | .. | Can. Pacific Rly. | 10 | 10 | 10 | 10 |
| .. | .. | Central Manitoba | 3,950 | .13 | .11½ | .11½ |
| 20 | 8.3 | Great West Life | 2 | 240 | 240 | 240 |
| 2+1 | 8.2 | Lake Shore Mines | 75 | 36.75 | 36.75 | 36.75 |
| 35c | 12.7 | North Star Oil, pfd. | 100 | 2¾ | 2¾ | 2¾ |
| .. | .. | San Antonio | 142 | .93 | .93 | .93 |
| 1.25 | 11.9 | United Grain Growers. | 10 | 10½ | 10½ | 10½ |
| .. | .. | Western Breweries | 25 | ¾ | ¾ | ¾ |

### Stocks Not Traded in During Week*

| | Bid | Ask | | Bid | Ask |
|---|---|---|---|---|---|
| Beaver Lumb. c. | .. | 3 | Pelissiers, pref. | 10 | .. |
| Beaver Fire | .. | 100 | Nor. Can. Mtg. pf. | .. | 14 |
| City Dairy 8% pf. | .. | 40 | Northern Trust | .. | 21 |
| Can. Fire Insur. | 50 | .. | Reliance Grain, pfd. | 43 | .. |
| Cres. Cream, pfd. | .. | 55 | West St. Prod., pf. | .. | 30 |
| Home Investment | 21 | .. | Can. Amer. Tr. shs. | .. | 2½ |
| Monarch Life 10% pd. | 16 | .. | Fundamental Ser. A | .. | 3 |
| Nor. Mtg. part pd. | .. | 5 | Fundamental Ser. B | .. | 2¾ |
| | | | Group Inc. shs. | 2.75 | 3.10 |

*Stocks more active on other exchanges not included.

## Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
February 28, 1933

| Industrial Stocks: | Bid | Asked |
|---|---|---|
| Acadia Sugar c. | .30 | .65 |
| Acadia Sugar 6% pfd. | 2.70 | 3.30 |
| Acme Farmers Dairy 7% pfd. | 59.50 | 65.00 |
| Acme Glove pfd. bonus com. | 7.00 | 9.00 |
| Agnew Surpass 7% pfd. | 59.25 | 65.00 |
| Allens Beach 7% pfd. bonus c. | 31.00 | .... |
| Allens College 7% pfd. bonus c. | 31.00 | .... |
| Allens London 7% pfd. bonus c. | 31.00 | .... |
| Allens St. Cath. 7% pfd. bonus c. | 31.00 | .... |
| Allens St. Clair 7% pfd. bonus c. | 31.00 | .... |
| Allens Toronto 7% pfd. bonus c. | 16.00 | .... |
| Andian National Corp. | 19.00 | 22.50 |
| Atlantic Sugar "A" pfd. | 70.50 | 80.00 |
| B. C% Pulp & Paper pfd. | 5.00 | 8.00 |
| Burns pfd. bonus com. | 2.75 | 4.50 |
| Canada & Dom. Sugar | 21.50 | 22.50 |
| Canada Mach. c. | 2.75 | 5.00 |
| Do., pfd. | 14.50 | .... |
| Canada Packers com. | .... | 11.75 |
| Canada Packers 7% pfd. | 73.00 | .... |
| Canada Starch 7% pfd. | 60.00 | 68.00 |
| Canada Tea 7% pfd. | 47.50 | 54.00 |
| Canada Wire & Cable 6½% pf. WW | 58.00 | .... |
| Can. Industries com. "A" | 71.00 | .... |
| Can. Industries com. "B" | 67.50 | 71.50 |
| Can. Industries 7% pfd. | 114.00 | 116.00 |
| Can. W'house | 35.00 | 38.00 |
| Claude Neon Gen. Adv. Units | .... | 16.00 |
| Claude Neon Gen. Adv. com. | .... | .60 |
| Dom. Foundries & Steel 8% pfd. | .... | 65.00 |
| Dom. Foundries & Steel c. | .... | 6.50 |
| Dom. Manufacturers 7% pfd. | 60.00 | 69.25 |
| Dunlop Tire 7% pfd. | 40.00 | 44.00 |
| Eastern Dairies Ltd. 7% pfd. | .... | 50.00 |
| Edmonton Stockyards Units | 38.00 | 52.00 |
| Federal Grain 6½% pfd. | 20.00 | 25.00 |
| Gen. Steel Wares pfd. | 5.00 | 7.00 |
| Goderich Elevator & Transit | 5.00 | 6.75 |
| Greening Wire 7% pfd. | .... | 60.00 |
| Guardian Realty 7% pfd. | .... | 23.00 |
| Guelph Carpet 6½% pfd. bonus | 65.00 | 72.00 |
| Guelph Carp. c. | 4.00 | .... |
| Inter. Proprietaries "A" | 19.00 | 21.50 |
| Langleys Ltd. 7% pfd. | .... | 35.00 |
| Loew's Lond. c. | .40 | .85 |
| Loew's London 7% pfd. | 3.00 | 4.25 |
| Massey Harris 5% pfd. | 11.00 | 13.00 |
| Mount Royal Hotel com. | .25 | .... |
| Mount Royal Hotel 6% pfd. | 3.00 | 4.50 |
| Nat. Grocers c. | .50 | 1.05 |
| National Grocers 7% 2nd pfd. | 39.00 | 44.00 |
| National Sewer Pipe com. | 5.00 | .... |
| Neilson, Wm., c. | 4.00 | .... |
| Paramount Kitchener pfd. | 27.00 | .... |
| Paramount Oshawa com. | 4.00 | .... |
| Paramount Oshawa pfd. | 28.75 | .... |
| Provincial Paper 7% pfd. | 30.00 | 34.00 |
| Reliance Grain 6½% pfd. | 43.00 | .... |
| Rolland Paper 6% pfd. W.W. | 26.00 | 28.00 |
| Standard Clay Products com. | .... | 13.00 |
| Standard Fuel 6½% pfd. bonus | 53.00 | 58.00 |
| Supersilk pfd. bonus | 24.00 | .... |
| **Ind. Stock cont'd.** | | |
| Supertest Petroleum "B" | 18.00 | 20.50 |
| Toronto Elevators 7% pfd. | 72.50 | 75.00 |
| Western Grain 6½% pfd. bonus | 14.00 | 18.00 |
| Willards Choc. pfd. | .... | 18.00 |
| **Insurance Stocks:** | | |
| Br. Amer. Assce. | 30.00 | 40.00 |
| Canada L. Assce. | .... | 440.00 |
| Candn. Fire Ins. | 0.50 | 60.00 |
| Confederation Life 20% pd. | 122.00 | 132.00 |
| Continental Life 20% pd. | 39.00 | 50.00 |
| Crown Life Ins. | 85% | 110% |
| Dom. Fire Ins. | 80.00 | .... |
| Dominion Life 50% pd. | .... | 260.00 |
| Dom. of Canada Gen. Ins. | 98.00 | 114.00 |
| Empire Life 25% pd. | 7.50 | .... |
| Excelsior Life 30% pd. | 80.00 | 90.00 |
| Great West Life Assce. | 235.00 | 255.00 |
| Guarantee Co. of N. A. | 240.00 | .... |
| Halifax Fire Ins. | 9.50 | 11.00 |
| Imperial Life | 246.00 | 260.00 |
| Manufacturers Life Ins. | 240.00 | 265.00 |
| Monarch Life 10% pd. | 17.25 | 20.00 |
| National Life 25% pd. | 60.50 | 70.00 |
| Saskatchewan Life 10% pd. | 8.00 | 12.75 |
| Sovereign Life Assur. 25% pd. | 14.00 | .... |
| Sun Life Assur. | 270.00 | 300.00 |
| Western Assur. c. | 14.25 | 18.50 |
| Western Life 20% pd. | 7.25 | .... |
| **Trust & Loan Stocks:** | | |
| British Mortgage & Trust | 155.00 | 165.00 |
| Can. Gen. Inv. Ltd. | 2.80 | 3.10 |
| Chartered Trust | .... | 68.50 |
| Debenture & Sec. 5% pfd. | 10.00 | 20.00 |
| Eastern Can. Sav. & Loan | 103.00 | 109.00 |
| Eastern Trust | 140.00 | 150.00 |
| Guelph & Ont. Inv. par $50 | 48.00 | 54.00 |
| Investment Foundation Units | 17.50 | .... |
| Lambton Loan & Savings | 56.00 | 60.00 |
| London & Western Trust | .... | 78.50 |
| Mortgage Discount pfd | 2.80 | 3.50 |
| Premier Trust | 65.00 | .... |
| Provincial Bank | 90.00 | 97.00 |
| Security Loan & Savings | 98.00 | 104.00 |
| Sherbrooke Trust | 100.50 | 112.00 |
| Sterling Trust | 50.00 | 57.50 |
| Traders Finance c. | .... | .60 |
| Traders Finance 7% "A" pfd. | 18.00 | 22.00 |
| Trusts & Guar. | 36.00 | 42.00 |
| Victoria Trust & Savings | 130.00 | .... |
| Waterloo Trust & Savings | 101.00 | 115.00 |
| **Power Issues:** | | |
| B. C. Elect. Pwr. & Gas pfd. | 88.00 | 90.00 |
| Calgary Power 6% pfd. | 60.50 | 63.50 |
| Can. Light & Power com. | 15.00 | 20.00 |
| Can. West. Nat. Gas L.H.& P. com. | 20.00 | .... |
| Can. West. Nat. Gas L.H.& P. pfd. | 64.00 | 67.50 |
| Great Lakes Power 7% pfd. | .... | 65.00 |
| Maritime Tel. & Tel. com. | 7.25 | 9.25 |
| Maritime Tel. & Tel. 7% pfd. | 9.50 | 11.25 |
| N. B. Tel. com. | 6.25 | 7.50 |
| Nova Scotia L. & P. 6% pfd. | 70.00 | 80.00 |

**Recent London Quotations:**

| | |
|---|---|
| Brewers & Distillers | 3s. 9d. |
| Can. & For. sec. | 3s. 9d. |
| Can. West. Lumber | 1s. |
| Hudson's Bay | 18s. 9d. |
| Do., 5% pref. | 68s. 9d. |
| Internat. Holdings | $1⅛ |
| Nfld. Pr. & Pap. deb. stock "B" | 90 |
| Trust & Loan of Can. | 9d. |

## Listed Bond Quotations

Week Ending February 27

| Montreal | Int. Rate | Due | Yield | Latest Bid | High | Low | Range, 1933 High | Low |
|---|---|---|---|---|---|---|---|---|
| Abitibi, 1st mtg.§ | 5 | 1953 | ... | 17 | ... | ... | *46 | 19½ |
| Asbestos | 5 | 1942 | ... | 21 | ... | ... | *65½ | 49 |
| Asbestos, 1st mtge. | 6 | 1941 | ... | 5½ | ... | ... | *20 | 14 |
| Do., gen. mtge. | 6 | 1956 | ... | ... | ... | ... | *9 | ... |
| Can. Cons. Rub. | 6 | 1946 | ... | ... | ... | ... | *69½ | ... |
| Can. Cottons | 5 | 1940 | ... | ... | ... | ... | *91 | 90 |
| Can. Forgings | 6 | 1942 | ... | ... | ... | ... | *100 | ... |
| Can. Locomotive | 6 | 1951 | ... | ... | ... | ... | 19½ | 19½ |
| Can. Pr. (Laur.) | 5½ | 1958 | ... | †6 | ... | ... | *7 | 5 |
| Do. (Way. Ser.) | 5½ | 1958 | ... | ... | ... | ... | *28½ | 5½ |
| Can. S.S. Debs. | 5 | 1943 | ... | ... | ... | ... | *83½ | ... |
| Cedars Rapids | 5 | 1953 | ... | ... | ... | ... | 108 | 108 |
| Dom. Canners | 6 | 1940 | ... | ... | ... | ... | ‡103 | ... |
| Dominion Coal | 5 | 1940 | ... | 37 | 37 | ... | 37 | ... |
| McNish | 6 | 1948 | ... | 1.05 | ... | ... | 1.50 | 1.00 |
| Mex. L. & Pr. | 5 | 1940 | ... | 55 | ... | ... | *73½ | 70½ |
| Mtl. L.H.&Pr. debs. | 3 | 1939 | ... | 42 | 42½ | 42 | 43 | 39½ |
| Mont. Tr. 1st mtg.§ | 5 | 1941 | 5.38 | ... | ... | ... | 98½ | 97 |
| Mont. Trams. "A"§ | 5 | 1955 | 7.47 | ... | 73½ | ... | 77½ | 72½ |
| Do., G. & Ref. "B" | 5 | 1955 | 7.47 | ... | 73½ | ... | 73½ | ... |
| Do., "C" | 4½ | 1955 | ... | ... | ... | ... | *77½ | 77 |
| Do., "D" | 5 | 1955 | 7.14 | ... | ... | ... | 77½ | 76½ |
| N.S. Steel | 5 | 1959 | ... | †78 | ... | ... | *62½ | 59 |
| Ontario Steel | 6 | 1943 | ... | 80 | ... | ... | **100½ | ... |
| Porto R. Pr. | 5 | 1936 | ... | ... | ... | ... | *93 | 88 |
| Steel of Canada§ | 6 | 1940 | ... | 102 | ... | ... | *102½ | 100 |
| Wayagamack | 6 | 1951 | ... | ... | ... | ... | *75 | 45 |
| Winnipeg Elec.§ | 5 | 1935 | ... | 76½ | ... | ... | *86 | ... |
| **Toronto** | | | | | | | | |
| Canada Bread | 6 | 1941 | ... | ... | ... | ... | *101½ | 100 |
| Steel of Canada§ | 6 | 1940 | ... | ... | ... | ... | *102½ | ... |
| **Dominion Govt. Bonds (Montreal)** | | | | | | | | |
| War Loan§ | 5 | 1937 | ... | 115.00 | .... | .... | 116.25 | 115.80 |
| Victory Loan | 5½ | 1933 | 4.56 | 100.40 | .... | .... | 100.75 | 100.70 |
| Do. | 5½ | 1934 | 4.18 | 101.50 | .... | .... | 102.50 | 101.70 |
| Do. | 5½ | 1937 | 3.25 | 108.75 | .... | .... | 110.25 | 110.00 |
| Do., refund | 4½ | 1940 | 4.50 | 99.50 | .... | .... | 101.25 | 100.75 |
| Do., refund | 5 | 1943 | 4.66 | 102.50 | 102.75 | .... | 103.37 | 103.25 |
| Do., refund | 4½ | 1944 | 4.53 | 99.25 | 99.75 | .... | 99.75 | .... |
| Do., refund | 4½ | 1946 | 4.47 | 99.00 | .... | .... | *96.25 | 91.50 |
| Do., renewal | 4 | 1952 | 4.51 | 92.50 | .... | .... | 93.25 | 91.63 |
| Conversion Loan | 4½ | 1956 | 4.60 | 97.25 | .... | .... | 98.50 | 97.00 |
| Do. | 4½ | 1957 | 4.60 | 97.25 | .... | .... | 98.25 | 98.25 |
| Do. | 4½ | 1958 | 4.56 | 97.63 | .... | .... | 99.37 | 98.00 |
| Do. | 4½ | 1959 | 4.59 | 97.88 | 98.50 | .... | 100.15 | 98.50 |
| Nat. Service Loan. | 5 | 1936 | 4.40 | 101.75 | .... | .... | 103.25 | 101.50 |
| Do. | 5 | 1941 | 4.61 | 102.50 | .... | .... | 103.75 | 102.75 |

†Latest ask ‡Quotations for 1930. *For 1931. *For 1932. None recorded in 1933 to date. §Payable in Canada and New York

## Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.
February 28, 1933

| | Rate | Actual Maturity | Next Int. Date | Price | Yield |
|---|---|---|---|---|---|
| *Alberta | 4½ | 1 Oct., 1958 | 1 Apr. | 82.00 | 6.30 |
| Alberta | 5 | 1 July 1943 | 1 July | 90.00 | 6.31 |
| Alberta | 6 | 1 Mar., 1947 | 1 Sept. | 97.50 | 6.27 |
| *British Columbia | 4½ | 1 Oct., 1953 | 1 Apr. | 84.00 | 5.83 |
| *British Columbia | 5 | 15 Jan., 1948 | 15 July | 93.00 | 5.70 |
| British Columbia | 6 | 15 Feb., 1947 | 15 Aug. | 97.50 | 6.27 |
| Manitoba | 4 | 1 July 1947 | 1 July | 80.00 | 6.10 |
| *Manitoba | 5 | 2 Dec., 1959 | 2 June | 91.00 | 5.65 |
| Manitoba | 6 | 1 Apr., 1947 | 1 Apr. | 97.50 | 6.26 |
| *New Brunswick | 4 | 1 June 1948 | 1 June | 91.50 | 4.78 |
| *New Brunswick | 4½ | 15 June 1936 | 15 June | 99.75 | 4.75 |
| New Brunswick | 5½ | 1 May 1950 | 1 May | 102.00 | 5.32 |
| *Nova Scotia | 4½ | 15 Nov., 1948 | 15 May | 97.50 | 4.72 |
| Nova Scotia | 5 | 1 May 1943 | 1 May | 101.50 | 4.81 |
| *Ontario | 4½ | 1 Sept., 1944 | 1 Sept. | 101.50 | 4.33 |
| Ontario | 5 | 15 Oct., 1948 | 15 Apr. | 103.00 | 4.73 |
| Ontario | 5½ | 1 Feb., 1947 | 1 Aug. | 107.00 | 4.80 |
| P. E. I. | 4 | 1 Apr., 1939 | 1 Apr. | 94.85 | 5.00 |
| P. E. I. | 6 | 1 May, 1947 | 1 May | 109.15 | 5.10 |
| *Quebec | 4½ | 1 May, 1961 | 1 May | 102.00 | 4.13 |
| *Saskatchewan | 4½ | 1 Sept., 1955 | 1 Sept. | 80.00 | 6.15 |
| Saskatchewan | 5 | 1 Oct., 1950 | 1 Apr. | 85.00 | 6.41 |
| Saskatchewan | 6 | 15 Mar., 1952 | 15 Mar. | 90.00 | 6.95 |
| *Newfoundland | 5 | 31 Dec., 1952 | 30 June | 67.00 | 8.49 |
| *Newfoundland | 5½ | 1 July, 1939 | 1 July | 74.00 | 11.25 |
| *Newfoundland | 6½ | 30 June, 1936 | 30 June | 79.00 | 14.90 |
| **Cities** | | | | | |
| *Montreal | 5 | 1 Sept., 1963 | 1 Sept. | 103.25 | 4.75 |
| *Toronto | 4½ | 1 Jan., 1955 | 1 July | 96.60 | 4.75 |
| *Vancouver | 5 | 15 Jan., 1970 | 15 July | 85.20 | 6.00 |
| Winnipeg | 5 | 1 Mar., 1944 | 1 Sept. | 90.90 | 6.15 |
| *Edmonton | 5½ | 1 Apr., 1947 | 1 Apr. | 82.50 | 7.50 |
| Calgary | 5 | 1 Jan., 1943 | 1 July | 80.50 | 7.75 |
| Halifax | 6 | 1 July, 1951 | 1 July | 110.70 | 5.10 |
| St. John | 5 | 15 Dec., 1950 | 15 June | 97.70 | 5.20 |
| Regina | 4½ | 1 July, 1950 | 1 July | 71.00 | 7.50 |
| Victoria | 5 | 21 July, 1945 | 21 July | 87.30 | 6.50 |
| Quebec | 5 | 1 June, 1948 | 1 June | 102.00 | 4.81 |

* Payable in New York.

## Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotaiton giving an idea of approximate price is better than none at all.

# PRAIRIE FARMERS WANT CREDITORS TO REFUND DEBTS

## Imperial Oil Plan Basing Payments on Wheat Prices Lauded

## OTHERS TO FOLLOW

### Farmers Claim General Recognition of Principle Would Settle Worst Problems of West

Thousands of letters coming from Western farmers into the offices of Imperial Oil, Ltd., express not only gratitude to the company for its cancellation of back interest on overdue debts and refunding over a term of five years on a basis that takes into account the price of wheat at each installment date but the very lively hope that other companies will be induced to follow the example.

Imperial Oil Review (January-February, 1933 number) only quotes 150 of these letters but these may be regarded as representative. At least 60 per cent of them add to their expressions of commendation of the company remarks like these:

"I am anxious to meet my obligations and you have wisely and generously presented we farmers with something to lighten our burden, a scheme that if adopted by the larger creditors in Western Canada would largely forestall inevitable default and repudiation and work mutually to the advantage of we Britishers and our country."

"Read Nehemiah 5th chapter, 1 to 14 verses, and tell others to do the same and learn what is wrong with the world."

"If other companies follow, this is the solution of the debt problem. It would be an immense encouragement."

"The cancellation of back interest and adoption of a new low rate should lead the way for settlement of private and national debts."

"Your plan, if adopted by all major creditors, will lift a blanket of unhappiness, despair and lack of confidence that can be effected in no other way."

### Meet Hard Times Manfully

The farmer writers give moving details of their situation in simple but convincing terms. One old man of 78 years feels humiliated because the last piece of property in his own name has been foreclosed after he had put 5,000 acres of land under cultivation. But he is going strong and hopes for success. The crop of another just paid the threshing and twine bills and there was not one dollar over. A widow, in a similar condition, has been encouraged to continue farming in a more hopeful mood. She is 82 years old, has been farming in the West since 1884 and never saw as hard times in the pioneer days. Struggles with drought, hail, fire, winds, too much moisture sometimes, and rust are referred to in these letters as well as the depression. There is little outright complaining and most of the writers are honest men and women who feel the load of debt more distressing than any other feature. Some state they will pay their debts before due if they get any break at all. Some of them are in business in a large way. One has dropped $50,000 in three years. But most regard their misfortunes as temporary and all are still hopeful. Only one takes a hostile attitude toward debt payment and he says, "God knows I wish to be fair, but an impossibility is impossible and my children shall not suffer too greatly for a very foolish fault in our economic financial system."

One farmer had a strong sense of humor, and replied: "I felt like the Irishman when asked to have a drink. He said: 'That's like a voice from Heaven.'"

# DOMINION TEXTILE PLACES COMMON ON NEW $4 BASIS

## Reflects Montreal Cottons Action — Profits on Lower Basis

MONTREAL.—Following omission of common dividends by Montreal Cottons in which it has a substantial stake, Dominion Textile Co. has reduced the disbursement on its own common stock from a previous rate of $5 a share to an annual rate of $4 a share with declaration of a quarterly dividend of $1 a share payable April 1 next. Details of Dominion Textile's investment in Montreal Cottons has not been made public but it is known that it holds a large block of the latter company's $3,000,000 of common on which dividends at the rate of 6 per cent have been maintained until recently.

Lower earnings have also played a part in the new dividend. Operations of Dominion Textile have not shown an improvement during the current fiscal year which ends March 31; in the last period profits were equal to $4.44 a share against disbursements of $5.

### Long Dividend Record

Reduced common payments is significant of conditions prevailing in the textile industry. Dominion Textile is the largest company in this field in Canada and its progress in the past has been noteworthy. Dividends were inaugurated on the common in 1908 and since that time there has never been a reduction; disbursements have gradually been increased.

In 1923 the old common, on which dividends were being paid at the rate of 12 per cent, was split three for one and a $4 rate was maintained on the new no par stock. In 1926 this was increased to $5 indicating a return of $15 a share on the old common stock.

Common dividend last year absorbed $1,350,000 but this sum will be reduced to $1,080,000 during the coming fiscal year if the new $4 rate is maintained.

### Cheese Exports Heavier But Value is Down

Export of cheese in 1932 totalled 86,940,000 pounds valued at $8,914,705 as compared with 84,788,400 pounds valued at $10,594,917 in 1931, an increase of more than 2 per cent in volume but a drastic decline in value.

Great Britain is the leading purchaser but there are over 30 countries which import Canadian cheese. In Europe, Spain, Germany, France, Belgium, Irish Free State and Malta, all consume quantities of the product of this Dominion.

# Smaller Vegetable Pack Helps Stabilize Prices

## Tomato Juice is One Line Showing Increased Output, However — Export Demand from U. S. A. and U. K. Reduces Surplus

Millions of glasses of tomato juice were added to Canada's diet in 1932 as the wave of popularity of this form of "aperitif" swept the country. Twice the amount of tomato juice consumed in 1931 was the record of 1932 while the amount of the drink made from canned tomatoes cannot be estimated. The figures come from government statisticians at Ottawa and are revealed in the preliminary report of the 1932 fruit and vegetable pack. This shows 310,340 cases of tomato juice packed and sold as compared with 177,656 cases in the previous year. In 1930, this product was not considered sufficiently important to warrant a separate listing.

Pack of one or two other vegetables was higher than in 1931, but in general the pack was far below the record 1931 total. The asparagus pack was higher, probably owing to the virtual elimination of the imported article by tariff and exchange actions, while soups were well maintained for the same reasons and owing to the establishment in Canada of a branch of Campbell Soup Co. which completed its first full year.

Total pack of all vegetables amounted to 5,411,562 cases, approximately 25 per cent below the 1931 total of 7,248,381 cases.

### Stocks Are Lower

Following this comparatively light pack in 1932, stocks of all vegetables in the hands of wholesalers and canners are down to nearly normal levels, corn being the only line in which there is a surplus of any proportions. A special offer of corn at present being put on by Canadian Canners, combined with an extensive advertising campaign, draws attention to this situation. This corn surplus continues in the face of a 70 per cent lighter pack in 1932 than in the previous year.

The virtue of this light pack is seen in a slightly stronger price position in most lines at the present time compared with this time last year, although some small independent canners are undercutting the market in popular lines. In tomatoes, for instance, according to Canadian Grocer, Toronto, these small independents are offering choice "2½s" at 85 cents a dozen while the price ruling among the nationally known lines is approximately $1.07½ a dozen.

### Total Pack

Vegetable pack in 1932 compared with the previous year is shown in the following table:

**Canned Vegetable Pack in Canada**

| | 1932 Cases | 1931 Cases |
|---|---|---|
| Asparagus | 37,301 | 21,548 |
| Beans, green or wax | 210,675 | 252,056 |
| Beans, baked | 731,977 | 861,523 |
| Beets | 20,385 | 24,134 |
| Carrots | 3,010 | 2,607 |
| Corn | 419,827 | 1,396,529 |
| Peas | 1,008,270 | 1,142,834 |
| Pumpkin | 48,893 | 47,449 |
| Spinach | 48,454 | 35,741 |
| Soups, all kinds | 1,017,566 | 1,035,950 |
| Tomatoes | 1,431,638 | 2,193,297 |
| Tomato juice | 310,340 | 177,656 |
| Tomato paste & puree | 70,629 | 55,632 |
| All other | 53,097 | 1,425 |
| Total | 5,411,562 | 7,248,381 |

### Larger Fruit Pack

An entirely opposite position is evident as far as canned fruits are concerned. The pack in 1932 was more than 60 per cent above that of the previous year and stocks at the present time are ample. Prices are weak in all lines although the carryover from 1931 was small. The actual pack for the year of all fruits amounted to 1,272,334 cases compared with 784,833 cases in 1931.

**Pack of Canned Fruits in Canada**

| | 1932 Cases | 1931 Cases |
|---|---|---|
| Apples | 228,730 | 60,895 |
| Blueberries | 18,226 | 9,718 |
| Cherries | 114,110 | 73,933 |
| Peaches | 248,934 | 205,148 |
| Pears | 374,075 | 161,052 |
| Plums | 86,550 | 64,009 |
| Raspberries | 35,106 | 65,463 |
| Strawberries | 28,210 | 29,823 |
| Other small fruits | 33,092 | 49,389 |
| All other fruits | 105,301 | 60,129 |
| | 1,272,334 | 784,833 |

### Export Situation

The export situation has been complicated in the past two years owing to exchange difficulties and the abnormally large pack of vegetables made in Canada in 1931. In that year the United States made a large enough vegetable pack to supply their domestic needs and exports to that country amounted to less than 150,000 pounds but in 1932, with the difference in exchange practically wiping out the tariff, Canadian exporters were enabled to dispose of over 11,000,000 pounds of canned vegetables in that country, beans and tomatoes being the chief lines.

Canned vegetables exported to Great Britain in 1931 amounted to over 10,000,000 pounds, almost the entire export total, but in the following year, due to exchange restrictions and to the fact that British canners had made definite headway in the field during the period, exports were reduced to about 4,500,000 pounds.

### Import Trade

There is still some importation of canned fruits and vegetables particularly in those lines not packed in Canada but the volume has decreased considerably in the past two years due to the effect of the tariff and to the fact that, as most of these importations come from the United States, they are at a distinct disadvantage owing to the low value of the Canadian dollar in terms of U. S. A. currency.

The amount of the decrease in importations of canned fruits and vegetables is seen in the following table:

**Imports of Canned Fruits & Vegetables**

| | 1932 lbs. | 1931 lbs. | 1930 lbs. |
|---|---|---|---|
| Fruits: | | | |
| Peaches | 3,195,156 | 6,482,106 | 10,759,947 |
| Pears | 288,615 | 771,876 | 1,318,742 |
| Pineapples | 7,543,940 | 21,477,939 | 23,405,812 |
| Others | 496,134 | 2,794,307 | 6,531,594 |
| Total | 11,523,845 | 31,526,224 | 42,016,095 |
| Vegetables | 3,081,624 | 8,424,603 | 16,976,678 |

### More Fruit to Britain

Britain is proving an increasingly large market for Canadian canned fruits, export statistics show. In 1930, total exports amounted to 3,288,000 pounds of which 2,771,000 pounds went to the United Kingdom; in 1932, exports had increased to 10,350,000 pounds of which 9,933,000 pounds went to the United Kingdom. Exports in 1932 amounted to 25 per cent of the pack of that year.

**Exports of Canned Fruits & Vegetables**

| | 1932 lbs. | 1931 lbs. | 1930 lbs. |
|---|---|---|---|
| Fruit | 10,350,778 | 5,885,851 | 3,288,376 |
| Pears | * | 2,054,462 | 1,957,595 |
| Vegetables | 18,087,059 | 12,259,341 | 9,960,398 |

*Not available.

### Cattle and Meat Exports To Great Britain Gain

Good prospects for 1933 are seen in the export of beef cattle and meat to Great Britain, according to the Livestock and Meat Trade Review of the Dominion Department of Agriculture. The promise of the British market is seen in the fact that in 1933 to Feb. 25, close to 5,000 head of cattle were exported to Great Britain, whereas last year none were exported until the first week of March.

Another promising outlet is in respect to beef, the Review states. Total exports in January this year were 748,000 pounds as compared with approximately 290,000 pounds in January, 1932. Of the total, approximately 460,000 pounds went to Great Britain this year compared with 40,500 pounds last year. "Since January," the review states, "the exchange situation has shown very considerable improvement and should it continue to do so it will be of the greatest benefit to our export trade."

# Mining Stock Quotations

Week Ending February 27

| Par Val. | Range 1933 High | Range 1933 Low | Company | Sales | Close Feb. 20 (or last) | High for week | Low for week | Close Feb. 27 |
|---|---|---|---|---|---|---|---|---|
| 1 | .05 | .02 | Abana | 1,600 | .05 | .04½ | .04 | .04 |
| 1 | .01½ | .00½ | Aconda | 6,805 | .01½ | .01 | .00½ | .01 |
| No | *.15 | .15 | Aldermac | ...... | .15 | ..... | ..... | ..... |
| 1 | .03¼ | .01 | Alexandria | 58,300 | .03 | .03 | .02¼ | .02¼ |
| No | .05½ | .03 | Algoma | 43,800 | .03½ | .04 | .03 | .03 |
| 1 | .01 | .00½ | Algonquin | ...... | .00½ | ..... | ..... | ..... |
| 1 | .01½ | .00½ | Amity C. | 5,100 | .01½ | .01 | .01 | .01 |
| No | .25½ | .10 | Amulet | 13,500 | .15½ | .16½ | .12 | .16½ |
| 1 | .01 | .00¾ | Apex | 1,500 | .00¾ | .00¾ | .00½ | .00¾ |
| 1 | .03¼ | .02 | Area | 11,100 | .02½ | .02½ | .02 | .02 |
| No | .04½ | .01¾ | Arno | 228,200 | .04 | .04½ | .03½ | .03¾ |
| 1 | 1.36 | .74 | Ashley Gold | 13,500 | 1.24 | 1.30 | 1.10 | 1.05 |
| 1 | .14 | .02½ | Bagamac | 122,400 | .10 | .12 | .08 | .08 |
| 1 | .03 | .01 | Baldwin | 3,000 | .01½ | .01½ | .01½ | .01½ |
| 1 | .20 | .10½ | Barry Hollinger | 58,850 | .13½ | .15½ | .12 | .12 |
| No | 1.00 | .75 | Base Metals | 100 | .85 | .80 | .80 | .80 |
| No | 1.00 | .98 | Beattie | 300 | .98 | 1.00 | .99 | 1.00 |
| 1 | .21 | .08 | Big Missouri | 17,600 | .16½ | .16½ | .15 | .15 |
| 1 | .18 | .08¾ | Bobjo | 63,200 | .13 | .14 | .11½ | .11½ |
| 1 | .25 | .15 | Brett Trethewey | 11,700 | .20 | .20 | .17 | .17 |
| 1 | .03¼ | .01½ | Brownlee | 17,900 | .03½ | .03½ | .02¾ | .03 |
| 1 | .01 | .00¾ | Buckingham | ...... | .01 | ..... | ..... | ..... |
| No | .04½ | .02¾ | Buffalo Can. | 5,500 | .03¾ | .03¾ | .03½ | .03¾ |
| No | .02½ | .01¾ | Bunker Hill | 24,000 | .02 | .02½ | .01¾ | .02¾ |
| 5s | .65 | .60 | B'Wana McKubwa | 350 | .60 | .65 | .60 | .65 |
| No | .04 | .03 | Canam Metals | 1,000 | .04 | .03 | .03 | .03 |
| 1 | .12¾ | .03 | Can. Kirkland | 5,000 | .09 | .09 | .07½ | .07½ |
| 1 | .01 | .00½ | Capital Rouyn | 1,000 | .00¾ | .00¾ | .00¾ | .00¾ |
| 1 | .03¼ | .01½ | Cartier Malartic | 500 | .02 | .02 | .02 | .02 |
| 1 | .30 | .15 | Castle Trethewey | 29,160 | .25 | .30 | .20½ | .20½ |
| 1 | .15 | .06 | Cen. Manitoba | 17,100 | .11½ | .13 | .10½ | .10½ |
| 1 | .28 | .17 | Cen. Patricia | 23,450 | .25½ | .25½ | .22 | .22 |
| No | .11 | .03 | Chibougamau Pros | 11,900 | .09 | .10 | .07 | .07 |
| | .10½ | .09 | Church. M. & Mill. | 18,500 | ..... | .10½ | .09 | .09 |
| No | .02½ | .00¾ | Clericy | 14,500 | .01½ | .01½ | .01½ | .01½ |
| 5 | 3.00 | 1.65 | Coast Copper | 765 | 2.05 | 2.50 | 2.00 | 2.25 |
| 1 | .02 | .00½ | Cobalt Contact | 16,000 | .01½ | .02 | .01½ | .01½ |
| 1 | .11 | .07 | Columario | 12,600 | .09 | .09 | .07½ | .08 |
| 5 | 1.05 | .75 | Coniagas | ...... | .75 | ..... | ..... | ..... |
| No | .45 | .25 | Coniaurum | 1,300 | .38½ | .38 | .30 | .30 |
| 25 | 68.00 | 57.50 | Cons. Smelters | 1,483 | 60.00 | 61.00 | 57.75 | 58.50 |
| No | 18.50 | 13.60 | Dome Mines | 20,180 | 17.20 | 17.25 | 14.85 | 15.00 |
| No | .05½ | .04 | Dom. Explorers | 14,200 | .04½ | .04½ | .04 | .04 |
| 1 | .01 | .00¾ | Dominion Kirk | ...... | .01 | ..... | ..... | ..... |
| 1 | .04 | .02 | Don Rouyn | 20,000 | .03½ | .03½ | .03½ | .03½ |
| 1 | .04½ | .02 | Duparquet | 2,800 | .04 | .04½ | .03¾ | .03¾ |
| 1 | 1.61 | 1.34 | Eldorado | 23,590 | 1.57 | 1.56 | 1.38 | 1.38 |
| No | 2.65 | 1.80 | Falconbridge | 22,745 | 2.35 | 2.65 | 2.25 | 2.35 |
| 1 | .02¾ | .01 | Federal | 15,000 | .02 | .02½ | .02 | .02½ |
| No | .02½ | .01½ | Flintoba | ...... | .02½ | ..... | ..... | ..... |
| No | .02¾ | .01 | Gilbec | 108,450 | .02½ | .02¾ | .01 | .02½ |
| 1 | .07 | .04 | Goldale | 20,000 | .07 | .06¾ | .06½ | .06¾ |
| 10 | .15 | .10 | Goldfield | ...... | .10 | ..... | ..... | ..... |
| 1 | .00¾ | .00½ | Gold Hill | 23,000 | .00½ | .00½ | .00½ | .00½ |
| | .01½ | .01 | Gold Reef | 5,000 | .01½ | .01 | .01 | .01 |
| 1 | .04½ | .02 | Goodfish | 3,000 | .03½ | .03 | .03 | .03 |
| 1 | .03¼ | .01½ | Graham | ...... | .01½ | ..... | ..... | ..... |
| 1 | 1.95 | 1.19 | Granada | 48,780 | 1.69 | 1.68 | 1.32 | 1.37 |
| 1 | .08 | .06 | Grozelle | 500 | .07 | .07 | .07 | .07 |
| 1 | .25½ | .24½ | Halcrow Swayze | 4,800 | .25½ | .25½ | .24½ | .24½ |
| 1 | .04 | .02 | Harker | 76,500 | .02¾ | .04 | .02½ | .04 |
| 1 | .01½ | .00¾ | Hilltop | 15,500 | .01½ | .01½ | .01 | .01 |
| 5 | 8.75 | 6.00 | Hollinger | 18,100 | 7.90 | 7.90 | 6.75 | 6.80 |
| 1 | .95 | .65 | Howey Gold | 99,515 | .75 | .75 | .65 | .65 |
| No | 4.25 | 3.10 | Hudson Bay | 905 | 3.70 | 3.70 | 3.45 | 3.45 |
| No | .40 | .25 | Huronian | 2,010 | .32½ | .40 | .34 | .36 |
| No | 10.37 | 8.12 | Int. Nickel | 42,707 | 9.12 | 9.12 | 8.12 | 8.25 |
| 1 | .02 | .00¾ | Jackson Manion | 8,200 | .02 | .02 | .01 | .01½ |
| 1 | .25 | .20 | Keeley | 1,000 | .22½ | .23 | .23 | .23 |
| 1 | .02 | .01 | Keora Mines | 500 | .01½ | .01½ | .01½ | .01½ |
| 1 | .76 | .60 | Kirk. Hud. Bay | 2,100 | .72½ | .71 | .65 | .66 |
| 1 | .02¾ | .00¾ | Kirk. Hunton | 49,500 | .01¾ | .01½ | .01 | .01 |
| 1 | .52 | .30 | Kirkland Lake | 24,400 | .39 | .40 | .35 | .35 |
| 1 | .03 | .01½ | Kirkland Premier | 28,988 | .01½ | .03 | .01½ | .03 |
| 1 | .22½ | .13½ | Kirk. Townsite | 9,400 | .15 | .18 | .14½ | .14½ |
| 20c | .01¾ | .00½ | Koot. Florence | 13,500 | .00¾ | .00¾ | .00¾ | .00½ |
| 1 | *.01½ | .01½ | La Rose | ...... | .01½ | ..... | ..... | ..... |
| 1 | .35 | .18 | Lakeland | 1,700 | .33 | .31 | .25 | .25 |
| 1 | .18 | .08 | Lake Maron | 7,000 | .17 | .17 | .16 | .16 |
| 1 | 40.00 | 32.50 | Lake Shore | 17,027 | 38.60 | 38.60 | 33.25 | 33.25 |
| 1 | .05½ | .02½ | Lebel Oro | 72,000 | .04½ | .05 | .04 | .04½ |
| 1 | .36½ | .20 | Macassa | 163,050 | .33½ | .34½ | .30 | .31 |
| 1 | .08 | .05 | Malartic | 10,700 | .08 | .08 | .05½ | .06 |
| 1 | .02¼ | .01½ | Malrobic | 18,000 | .01½ | .01½ | .01½ | .01½ |
| No | .05 | .03½ | Mandy | 1,500 | .03½ | .04 | .03½ | .04 |
| No | .03 | .01½ | Manitoba Basin | 53,600 | .02 | .02 | .01½ | .01½ |
| 5 | 27.60 | 21.20 | McIntyre | 7,535 | 25.25 | 25.50 | 23.00 | 23.00 |
| 1 | .50 | .30 | McKinley | 125 | .50 | .48 | .48 | .48 |
| No | .08 | .02½ | McLeod | 126,700 | .06 | .06½ | .05½ | .05½ |
| 1 | .07½ | .03 | McMillan | 1,250 | .05 | .07½ | .06 | .07½ |
| No | .75 | .46 | McWatters | 3,900 | .63 | .65 | .55 | .55 |
| 1 | .32 | .15 | McVittie | 31,000 | .25 | .29 | .24 | .26 |
| No | 1.80 | 1.28 | Mining Corp. | 10,780 | 1.57 | 1.57 | 1.36 | 1.39 |
| 1 | .03 | .01½ | Moffatt Hall | 54,550 | .02½ | .02¾ | .02 | .02 |
| 1 | .06½ | .02 | Moneta | 2,000 | .05½ | .04½ | .04½ | .04½ |
| 1 | .40 | .21 | Moss | 60,850 | .25 | .25 | .21 | .21 |
| 1 | .02¼ | .00¾ | Murphy | 15,700 | .01½ | .01½ | .01½ | .01½ |
| No | .05 | .03 | Newbec | 6,500 | .04 | .04 | .03½ | .03½ |
| 1 | .06 | .01½ | Night-Hawk Penn. | 21,500 | .05 | .05 | .04 | .04 |
| 5 | 1.95 | 1.15 | Nipissing | 7,720 | 1.65 | 1.72 | 1.46 | 1.46 |
| No | 25.50 | 19.75 | Noranda | 24,219 | 24.10 | 24.20 | 22.75 | 22.75 |
| No | .52 | .32½ | Nor. Canada | 3,700 | .40 | .42 | .38 | .38 |
| No | .02¾ | .01 | Old Colony | 59,500 | .01¾ | .02½ | .01 | .01½ |
| 1 | .14 | .05 | Osisko | 1,500 | .11 | .09½ | .08 | .08 |
| 1 | .18½ | .11 | Parkhill | 38,900 | .16 | .16 | .15 | .15½ |
| 1 | .03¾ | .01½ | Pawnee Kirk. | 6,000 | .03 | .03 | .02½ | .02½ |
| 1 | .75 | .54 | Pend Oreille | 1,620 | .60 | .65 | .60 | .60 |
| 1 | .01½ | .00½ | Peterson Cobalt | 8,000 | .01½ | .01½ | .01½ | .01½ |
| 1 | 6.15 | 4.30 | Pioneer Gold B. C. | 43,875 | 5.75 | 6.15 | 5.70 | 5.70 |
| 1 | .01½ | .01 | Porcupine Crown | 4,000 | .01¾ | .01½ | .01½ | .01½ |
| 1 | .00¾ | .00¾ | Potter Doal | 2,000 | ..... | .00¾ | .00¾ | .00¾ |
| 1 | *.12 | .12 | Powell Rouyn | ...... | .12 | ..... | ..... | ..... |
| 1 | .82 | .60 | Premier Gold | 22,070 | .71 | .73 | .69 | .69½ |
| 1 | .02½ | .01 | Preston E. Dome | 4,500 | .01½ | .01½ | .01½ | .01½ |
| No | .95 | .75 | Prospectors Air's. | 200 | .80 | .90 | .80 | .90 |
| No | *1.00 | 1.00 | Quebec Pros. | ...... | 1.00 | ..... | ..... | ..... |
| No | .15 | .03 | Quemont | 10 | .10 | .15 | .15 | .15 |
| 1 | .02¼ | .00¾ | Ribago | 2,000 | .01 | .01 | .00¾ | .00¾ |
| 1 | .03 | .01½ | Ritchie | 7,700 | .01½ | .02½ | .01½ | .01½ |
| 1 | .04 | .01 | Robb Montbray | 9,000 | .03 | .03 | .02½ | .02½ |
| 1 | 1.21 | .80 | San Antonio | 29,693 | .97 | 1.00 | .87 | .90 |
| 1 | .03 | .03 | Seven Troughs | ...... | .03 | ..... | ..... | ..... |
| 1 | .48 | .33 | Sherritt Gordon | 13,890 | .42 | .42 | .40 | .40 |
| 1 | 1.77 | 1.25 | Siscoe | 142,340 | 1.60 | 1.62 | 1.40 | 1.41 |
| 1 | .10½ | .06 | South Keora | 6,300 | .07½ | .08 | .06½ | .06½ |
| No | .06 | .01¾ | Stadacona | 163,000 | .04½ | .04½ | .03¾ | .03¾ |
| 1 | .14 | .07 | St. Anthony | 3,200 | .08 | .09 | .08½ | .09 |
| No | .83 | .60 | Sudbury Basin | 7,825 | .70 | .80 | .68 | .75 |
| 1 | .03 | .00¾ | Sudbury Contact | 7,300 | .02½ | .02½ | .01 | .02 |
| 1 | .01¾ | .00½ | Sudbury Mines | 3,000 | .01 | .00¾ | .00¾ | .00¾ |
| 1 | .38½ | .20 | Sullivan | 41,200 | .35 | .35½ | .30 | .30 |
| 1 | 1.21 | .72 | Sylvanite | 66,140 | .98 | .99 | .84 | .85 |
| 1 | .03½ | .01¾ | Tashota | 13,000 | .02 | .03½ | .02 | .02 |
| | .18½ | .15½ | Tashota Goldfield | ...... | .18½ | ..... | ..... | ..... |
| 1 | 5.10 | 3.90 | Teck Hughes | 49,427 | 4.55 | 4.55 | 3.90 | 3.95 |
| 1 | .10 | .04½ | Thom Cadillac | 3,000 | .07 | .06 | .06 | .06 |
| 1 | .16½ | .10 | Towagmac | 600 | .16½ | .16½ | .14 | .14 |
| 1 | 2.00 | 1.10 | Treadwell | 400 | 1.60 | 1.55 | 1.50 | 1.50 |
| 1 | .08 | .05 | United Kirkland | 12,400 | .08 | .08 | .07 | .07½ |
| No | .06½ | .03 | Vacuum Gas | 31,000 | .03½ | .03½ | .03 | .03 |
| No | 2.40 | 2.30 | Venezuela Gold | 2,150 | ..... | 2.40 | 2.30 | 2.35 |
| No | 1.28 | .80 | Ventures | 154,761 | 1.05 | 1.10 | .94 | .96 |
| 1 | .22 | .09 | Vickers | 30,100 | .20 | .22 | .19½ | .20½ |
| 1 | .41½ | .20 | Vipond | 5,000 | .38 | .36 | .35 | .35 |
| No | .60 | .35 | Waite Ackerman | 250 | .54 | .35 | .35 | .35 |
| 1 | .04¾ | .03½ | White Lake | 1,500 | .03½ | .03½ | .03½ | .03½ |
| 1 | .08 | .02 | Wiltsey Coughlan | 18,500 | .07 | .07 | .06½ | .06½ |
| 1 | .12 | .07 | Wood Kirkland | 2,500 | .12 | .12 | .10 | .10 |
| No | 5.05 | 3.73 | Wright-Hargreaves | 53,981 | 4.70 | 4.75 | 4.23 | 4.25 |

**OIL STOCKS**

| Par Val. | Range 1933 High | Range 1933 Low | Company | Sales | Close Feb. 20 (or last) | High for week | Low for week | Close Feb. 27 |
|---|---|---|---|---|---|---|---|---|
| No | .12 | .08½ | Acme Gas & Oil | 16,600 | .09 | .09½ | .08½ | .08½ |
| 1 | .82 | .67 | Ajax | 3,100 | .70 | .70 | .67 | .67 |
| 1 | .10 | .05 | Alta. Pacific | 636 | .09 | .10 | .05 | .05 |
| 1 | *.03½ | .02 | Askalta | ...... | .03½ | ..... | ..... | ..... |
| No | .07 | .04¾ | Associated | 1,100 | .06 | .06 | .06 | .06 |
| No | .02¾ | .01 | Baltac | 2,000 | .02 | .02 | .02 | .02 |
| 1 | *.05 | .02½ | Brit. Dominion | ...... | .03½ | ..... | ..... | ..... |
| No | .35 | .25 | Calgary & Ed. | 1,725 | .30½ | .33 | .30 | .30 |
| 1 | .05 | .04 | Calmont | 1,200 | .04 | .04½ | .04 | .04½ |
| 1 | .06 | .04 | Common. Pete. | ...... | .05 | ..... | ..... | ..... |
| No | .20 | .14 | Dalhousie | 1,700 | .15 | .15 | .14 | .14 |
| No | .02 | .02 | Devenish | ...... | .02 | ..... | ..... | ..... |
| No | *.02 | .00½ | Dome Oil | ...... | .00½ | ..... | ..... | ..... |
| No | .07 | .06 | East Crest | 600 | .06 | .07 | .06 | .06 |
| | .25 | .25 | Erie Gas | ...... | .25 | ..... | ..... | ..... |
| No | *.01½ | .01 | Fabyan Pete | ...... | .01½ | ..... | ..... | ..... |
| No | *.25 | .05 | Foothills | ...... | .15 | ..... | ..... | ..... |
| No | *.03½ | .02 | Freehold | ...... | .02 | ..... | ..... | ..... |
| 1 | *.02 | .00½ | Great West | ...... | .00½ | ..... | ..... | ..... |
| No | *.06½ | .03 | Hargal | ...... | .03 | ..... | ..... | ..... |
| No | *.65 | .02 | High Sarcee | ...... | .02 | ..... | ..... | ..... |
| No | .45 | .30 | Home | 400 | .40 | .40 | .35 | .35 |
| No | *.65 | .01½ | Homestead | ...... | .01½ | ..... | ..... | ..... |
| 1 | .20 | .12 | Homest'd O. & G. | 4,500 | .13 | .13½ | .12 | .12 |
| 1 | *.01 | .00¾ | Illinois Alberta | ...... | .00¾ | ..... | ..... | ..... |
| No | *.02½ | .00¾ | Lethbridge | ...... | .00¾ | ..... | ..... | ..... |
| No | *.10 | .04 | Lowery | ...... | .10 | ..... | ..... | ..... |
| No | *.02 | .00½ | Madison | ...... | .00½ | ..... | ..... | ..... |
| 1 | .21 | .14 | Mayland | ...... | .21 | ..... | ..... | ..... |
| No | *.04 | .01½ | McD. Segur Ex. | ...... | .01½ | ..... | ..... | ..... |
| 1 | *.04 | .01 | McD. Segur N. | ...... | .01 | ..... | ..... | ..... |
| 1 | *.50 | .18 | McLeod | ...... | .18 | ..... | ..... | ..... |
| No | *.10½ | .06½ | Mercury | ...... | .07½ | ..... | ..... | ..... |
| No | .16 | .14 | Merland | 600 | .15 | .15 | .14½ | .14½ |
| No | *.15 | .08½ | Mill City Pete. | ...... | .08½ | ..... | ..... | ..... |
| 1 | *.20 | .12½ | Model | ...... | .13 | ..... | ..... | ..... |
| 1 | *.05 | .04 | Monalta | ...... | .05 | ..... | ..... | ..... |
| 1 | *.07 | .03 | Moose Mountain | ...... | .03 | ..... | ..... | ..... |
| 1 | *.01 | .01 | New Federal | ...... | .01 | ..... | ..... | ..... |
| 5 | .20 | .09 | Nordon | 4,900 | .11 | .11 | .10 | .11 |
| 1 | .04 | .02¾ | Oil Selections | 22,000 | .03½ | .03½ | .03¾ | .03½ |
| No | .05 | .02¾ | Okalta | ...... | .03 | ..... | ..... | ..... |
| No | .31 | .20 | Olga Gas & Oil | 126,400 | .25 | .31 | .24½ | .30½ |
| No | .03½ | .01½ | Penn. Pete. | 12,000 | .02 | .02½ | .02 | .02½ |
| 1 | .17 | .15 | Petrol Oil & Gas | 2,000 | .15 | .16 | .15 | .16 |
| No | *.14 | .08 | Ranchmen's | ...... | .09 | ..... | ..... | ..... |
| 1 | *.01 | .00¾ | Regent | ...... | .01 | ..... | ..... | ..... |
| No | *.02½ | .01 | Richfield | ...... | .01 | ..... | ..... | ..... |
| No | 7.10 | 6.00 | Royalite | 51 | 7.00 | 6.75 | 6.00 | 6.50 |
| 1 | .11 | .07½ | Sarnia Oil | 4,000 | .09 | .08 | .07½ | .07½ |
| 1 | *.03 | .01 | Signal Hill | ...... | .01 | ..... | ..... | ..... |
| No | .07 | .04 | South West Pete. | 100 | .07 | .05½ | .05½ | .05½ |
| 1 | *.30 | .10 | Spooner | ...... | .15 | ..... | ..... | ..... |
| No | .14 | .12 | Sterling Pacific | 400 | .14 | .12 | .12 | .12 |
| | .43½ | .43 | Trinidad Oil | ...... | .43½ | ..... | ..... | ..... |
| 1 | *.11 | .07½ | Turner Valley | ...... | .07½ | ..... | ..... | ..... |
| No | .08 | .03 | United | ...... | .03 | ..... | ..... | ..... |
| 1 | *.09½ | .03 | Vulcan | ...... | .03 | ..... | ..... | ..... |
| No | .01 | .00½ | Wainwell | 9,000 | .01 | .01 | .00½ | .00½ |

**VANCOUVER STOCK EXCHANGE**

(Transaction for Week to February 21)

| Par Val. | Range 1933 High | Range 1933 Low | Company | Sales | Close Feb. 20 (or last) | High for week | Low for week | Close Feb. 27 |
|---|---|---|---|---|---|---|---|---|
| 25c | *.00¾ | .00½ | Bayview | ...... | .00¾ | ..... | ..... | ..... |
| 1 | .60 | .60 | B. C. Silver | ...... | .60 | ..... | ..... | ..... |
| 20c | .05½ | .02½ | Beaver Silver | 6,000 | .04 | .05 | .04 | .05 |
| 25c | .03 | .02½ | Bluebird | ...... | .03 | ..... | ..... | ..... |
| No | 1.95 | 1.38 | Bralorne | 10,286 | 1.84 | 1.95 | 1.83 | 1.91 |
| 1 | .07 | .05 | Bridge River Cons. | 35,200 | .06½ | .06½ | .06½ | .06½ |
| 1 | 2.85 | 2.00 | Caribou Gold | 8,850 | 2.40 | 2.55 | 2.30 | 2.30 |
| No | 7.50 | 5.60 | Coast Breweries | 190 | 6.00 | 6.75 | 6.25 | 6.75 |
| 25c | .01 | .00½ | Cork Province | 4,000 | .00½ | .01 | .01 | .01 |
| 1 | .02½ | .02½ | Cotton Belt | ...... | .02½ | ..... | ..... | ..... |
| 1 | .01½ | .00½ | Dalhousie Mines | ...... | .01½ | ..... | ..... | ..... |
| 1 | .36 | .30 | George Copper | 400 | .35 | .35 | .35 | .35 |
| 50c | *.02 | .01 | Geo. Enterprise | ...... | .01 | ..... | ..... | ..... |
| 1 | .03 | .02½ | Georgia River | 33,750 | .02½ | .02½ | .02½ | .02½ |
| 1 | .20 | .16 | Golconda | 4,100 | .16 | .20 | .20 | .20 |
| 50c | .04½ | .03½ | Grandview | 10,000 | .04½ | .04½ | .04 | .04½ |
| 1 | *.01 | .00¾ | Independence | ...... | .00¾ | ..... | ..... | ..... |
| 1 | .01 | .01 | Indian Mines | 1,000 | .01 | .01 | .01 | .01 |
| 1 | .10½ | .10 | Inter. Coal | 500 | .10 | .10½ | .10½ | .10½ |
| 1 | *.21 | .21 | Jack Waite | ...... | .21 | ..... | ..... | ..... |
| 25c | *.00¾ | .00½ | Kootenay King | ...... | .00½ | ..... | ..... | ..... |
| 10c | .02 | .01½ | Lucky Jim | 10,500 | .01½ | .01½ | .01½ | .01½ |
| 5c | .12 | .04 | Metaline Metals | ...... | .06 | ..... | ..... | ..... |
| 1 | *.03 | .00½ | Morton Woolsey | ...... | .00½ | ..... | ..... | ..... |
| 50c | .02¾ | .01½ | National Silver | 55,000 | .02½ | .02¾ | .02½ | .02½ |
| 50c | .06½ | .02½ | Noble Five | 54,600 | .05½ | .06½ | .05½ | .06 |
| 50c | *.01 | .00½ | Oregon Copper | ...... | .01 | ..... | ..... | ..... |
| 1 | 5.80 | 4.30 | Pioneer Gold | 3,575 | 5.35 | 5.80 | 5.50 | 5.80 |
| 50c | .07½ | .04½ | Porter Idaho | 11,500 | .06½ | .07½ | .06½ | .07 |
| No | .00¾ | .00¾ | Premier Border | ...... | .00¾ | ..... | ..... | ..... |
| No | .20 | .15 | Reeves McDonald | 500 | .20 | .16 | .16 | .16 |
| 1 | .77 | .64 | Reno Gold | 23,100 | .70½ | .73 | .68 | .68 |
| 1 | .02½ | .02½ | Rufus Argenta | ...... | .02½ | ..... | ..... | ..... |
| 1 | .03½ | .03 | Ruth Hope | 2,000 | .03 | .03½ | .03½ | .03½ |
| 1 | *.05 | .02 | Silverado | ...... | .05 | ..... | ..... | ..... |
| 25c | .03½ | .01 | Silver Crest | 11,850 | .02½ | .03 | .02 | .03 |
| 50c | .01½ | .01 | Snowflake | 11,000 | .01½ | .01½ | .01½ | .01½ |
| 1 | .25 | .25 | Sunloch | ...... | .25 | ..... | ..... | ..... |
| No | *.06 | .05 | Vanalta | ...... | .06 | ..... | ..... | ..... |
| 20c | *.02½ | .01 | Wellington | ...... | .01 | ..... | ..... | ..... |
| 1 | .04 | .03 | Whitewater | ...... | .03½ | ..... | ..... | ..... |

*Quotations for 1932. No sales recorded in 1933 to date.

**DIVIDEND PAYERS**

| | Rate | Yield % |
|---|---|---|
| Ajax Oil | 12c. | .... |
| Coniagas‡ | 12½c. | .... |
| Coniaurum† | 3c. | .... |
| Cons. Smelters* | 10% | .... |
| Dome Mines | $1+10c. | 7.33 |
| Falconbridge | 10c. | .... |
| Hollinger | 65c.+10c. | 9.55 |
| Howe Sound | 40c. | .... |
| Lake Shore | $2+$1 | 8.95 |
| McIntyre | $1.50 | 6.52 |
| McLeod Oils‡ | 5c. | .... |
| Merland Oils† | 2½c. | .... |
| Noranda | $1.10 | .... |
| Petrol Oil | 2c. | .... |
| Premier | 12c. | 17.26 |
| Pioneer, B.C. | 24c. | 4.21 |
| Royalite | $1.50 | .... |
| Siscoe | 12c. | 8.51 |
| Sterling Pac. Oil† | 2½c. | .... |
| Sylvanite | 4+1c. | 5.88 |
| Teck Hughes | 60c. | 15.18 |
| Wright-Har. | 10+5c. | 3.52 |

*Stock. ‡Interim. †Initial.

# New Books

## WORLD RECOVERY IS PRIMARY NEED OF AGRICULTURE

### Higher Standard of Living Alone Can Aid Farms

"It is probably only in the two principal food grains—wheat and rice—that world consumption has reached anything near the saturation point." This is one of the challenging statements in "World Agriculture," an international survey just published by the Royal Institute of International Affairs.

Yet having made this statement, somewhat disconcerting to ambitious Canadians hopeful of further increase in wheat output in Canada, the survey later proceeds to note that "wheat crops since the war have never reached the level they would have reached if the pre-war rate of expansion had continued, in spite of the increase of acreage in the new countries. The outstanding fact is not the rapidity in expansion of production in the post-war period but the sudden setback in production caused by the war.

### Two Chief Products

The survey makes it clear that while wheat is always front-page news and is closely linked with the stock markets and with world finance, it is not the world's principal agricultural product. "Milk and milk products and eggs are the two most important products to the farmers of the world."

"World Agriculture" is the second of the Study Group Reports of Chatham House. It surveys the present crisis from the standpoint of the agriculturist all over the world. The group was able to secure the helpful co-operation of some 50 authorities in this country and abroad, and it is believed that no comparable work in this field has been written in English or any other language.

### Outline of Contents

The study is introduced by a world survey of agriculture from the point of view of the facts of production and consumption, and the significance of international trade in agricultural products. Then follows the remarkable story of the present agricultural revolution—the application to agriculture of mechanized invention and biological discovery which is taking place today and which may have as profound an influence on human history as did the industrial revolution of the last century. The report then examines the question of prices, of the returns received from agricultural enterprise, and the agricultural aspects of the recent catastrophic fall in prices. Finally, after a comprehensive survey of national aims and conditions in agriculture in overseas Dominions, in Europe and in tropical lands, four chapters are devoted to an exposition of the different forms of protective action which have been and are being employed by states and groups of states in the interests of their agricultural industries, and to an account of existing organizations and international associations of agricultural producers and interests.

There are two appendices, one containing a selection from the vast mass of signed comments sent in by the correspondents to the group, and the other dealing with the Ottawa agreements from the point of view of agriculture.

The book is fully documented and indexed, and will, it is hoped, provide the reader with a comprehensive guide to a subject of the utmost public importance.

### Future of Farming

A word as to the future is given:

"The rescue of agriculture from its present plight depends primarily on a steady increase of demand for its products — i.e., on a continuous rise in the standard of living. This, in its turn, with all that it implies, such as the reabsorption in productive occupations of the millions of unemployed industrial workers, is dependent upon an improvement in world political, financial, and economic conditions.

"Measures designed specifically for the assistance of agriculture, usually of a restrictive nature, such as are now commonly advocated, may alleviate symptoms of agricultural distress; they cannot remove the fundamental causes of the disease, which are world wide.

"Acting alone, the agriculturist and his friends may usefully work for the rationalization of production and marketing, for the better grading of their products, for the improvement of statistical services, and the dissemination of information. Action, even on these lines however, can do little toward re-creating in the minds of men that all-important feeling of confidence in the future, without which it will be difficult to remove the many political and economic obstacles which at present impede the revival of international demand for the products of agriculture.

"Of the modern world it is true to say that it is becoming increasingly difficult for one state to harm the interests of another without injuring its own economy. Only large-scale action, in which all the most important nations will collaborate, can hope to overcome world-wide difficulties."

Companion volume to "The International Gold Problem," brought out by the institute, "World Agriculture" is a volume of the greatest value to the student of agriculture or of world economics. It is informative and interesting at the same time.

In Canada, it is published by the Oxford University Press, Toronto, at $3.75.

### "Finance and Commerce in Federal India"

Written by an author who calls himself "British-Indian," this little volume discusses the problems that will inevitably arise if and when control of finance and commerce are transferred to an Indian Federation. The safeguards that the author considers necessary are outlined.

The book is published by Oxford University Press, Toronto, at $1.50.

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## EMPIRE MARKET MORE IMPORTANT THAN CHEAP CORN

### So Argues Prof. Fay in Study of Wheat Tariffs

The Corn Laws of the Hungry Forties and Imperial Preference on wheat in 1933 are two vastly different things. So argues Prof. C. R. Fay in his new study of "The Corn Laws and Social England."

In 1842, peak year of the nineteenth century taxation of corn (wheat) imports into Great Britain the lot of the industrial worker was not as favorable as it is today. There was famine and distress in the land and an actual shortage of food corn.

Today no one can justly claim that there is a shortage of wheat in the world.

Today Britain needs, and needs desperately, an increase in outside markets and she is hoping to find these in Imperial reciprocity. Prof. Fay concludes that if an increase in industry and trade and therefore in employment can be ensured by Imperial reciprocity then Britain is rich enough to pay the tax involved.

Prof. Fay was at one time on the staff of the department of economics at Toronto. He is now reader in economic history at Cambridge. His new volume is a complete historical study of all the corn law agitations of England from the eighteenth century to the present day with the social as well as the economic and political aspects of it brightly illuminated.

The arguments over taxing the people's food were bitter and prolonged and England was near revolution on more than one occasion in Corn Law disputes. But finally the need for a concerted policy of Imperial development loomed more largely than the question of a tax on food at the Ottawa Conference last summer a new milestone in Corn Law history was reached.

Prof. Fay's volume is exceedingly interesting and readable as well as economically authoritative.

It is published by the Macmillan Company of Canada, Toronto at $3.00.

### "5,000 Facts About Canada"

Despite the depression there are still thousands of interesting things to tell about Canada and Frank Yeigh digs them up and tells them in the 1933 edition of "5,000 Facts About Canada. This is the 30th year of vigorous life for Mr. Yeigh's world-famous little book.

It is published by the Canadian Facts Publishing Co., 588 Huron St., Toronto, at 35 cents.

### "The Functions of Money"

Leonard Alston, university lecturer in economics at Cambridge, attempts to describe the English monetary system for the non-academic reader. Reasons for the rise and fall of prices are set forth.

In his attempt to be non-academic the writer has lost more than he has gained in clarity and one gains the impression that he is not familiar with the language of the average man to whom the book is obviously addressed.

The volume is published by the Macmillan Company of Canada, Toronto, at $1.50.

### "Canadian Electrical Code"

Three publications have been issued by the Canadian Engineering Standards Association under Part II of the Canadian Electrical Code which deals with approval specifications.

These constitute a general pamphlet covering definitions and general requirements, which applies to all specifications, and two others dealing with electric signs and electrical equipment for oil-burning apparatus.

These specifications lay down the conditions which must be fulfilled to obtain approval of electrical apparatus in Canada.

Since January, 1, 1933, the work of approval is almost entirely in the hands of the Hydro-Electric Power Commission's Laboratory at Toronto. This laboratory is now using a label system which indicates that approval is based on Canadian Electrical Code standards as prepared by the Canadian Engineering Standards Association.

### New Topographical Map

Canadians and others who spend their summers in Georgian Bay and the lower part of Muskoka will be interested in a new topographical survey map published by the Department of the Interior at Ottawa recently. This map designated as the new Orillia map sheet has been prepared largely from vertical aerial photographs taken by the Royal Canadian Air Force and on the scale of 16 miles to the inch gives a most intimate and accurate detailed picture of the entire area including the location of buildings, churches, highways, elevations, forests, and so forth. Incidentally, these photographs are indexed in the topographical survey and copies may be obtained at 30c each.

This new map adjoins what is called the Muskoka sheet which lies immediately north of it. These two maps, together with the Parry Sound and Byng Inlet sheets which have already been published, cover the most important sport and recreation area in Ontario. The Orillia sheet and adjoining maps may be obtained from the Topograhpical Survey, Department of the Interior, Ottawa, at 25c each or mounted on linen 50c.

### "The Bonbright Survey of Electric Light and Power Companies of the United States"

This is the ninth annual issue of a directory of electric light and power service in places of 2,500 population or more in the United States only, listed alphabetically by states, with a key map and table for each state. There is a list of holding corporations and their subsidiary companies. Indication is given of the source of energy purchased in bulk by municipal systems and distributed over municipal lines. This is an innovation in the present edition.

Revised to October, 1932. Arranged according to Geographic Divisions. Edited by G. F. Wittig, Statistical Editor, Electrical World, and J. A. Stuart, Electrical World, published by McGraw-Hill Publishing Co., Inc., New York, N.Y., at $10.

### Printing Industry Revenue Down 9 Per Cent in 1931

Production of the printing and publishing industry in 1931 was valued at $65,700,122, a 9 per cent decline from the $72,013,171 recorded in the previous year. Subscriptions and sales of publications brought $15,602,626 of the 1931 revenue while advertising was responsible for $39,006,633. In addition to printing their own publications many printing establishments carry on job printing which brought $9,320,699 in 1931. They also do various other kinds of printing, bookbinding and allied work.

There were 764 establishments engaged in the printing and publishing industry in 1931 as against 776 in 1930. The distribution by provinces was as follows: Ontario, 290; Saskatchewan, 131; Alberta, 81; Manitoba, 72; Quebec, 66; British Columbia and Yukon, 67; Nova Scotia, 32; New Brunswick, 21 and Prince Edward Island, 4.

Capital investment in these concerns decreased from $66,860,624 in 1930 to $65,573,014 in 1931. Average number of employees in 1931 was 16,918 or 145 fewer than in 1930, and salaries and wages $26,375,663 compared with $26,937,052 in 1930.

Materials used amounted to $14,029,548 as against $15,993,916 in 1930. Newsprint paper accounted for $9,557,286 and formed 68.1 per cent of the total value of materials employed.

### Ontario Main Producer of Canadian Wines

Wines produced in Canada in 1931 and placed in storage for maturing totalled 3,205,334 gallons with an inventory value of $1,381,372, while the fermented wines bottled or sold during the year totalled 3,499,281 gallons valued at $3,457,625. Fruit juices, medicated wines and other products were valued at $11,109.

Ontario produced 93 per cent of the quantity and 91 per cent of the value of wines produced and sold in 1931. In that year there were 61 establishments engaged in the industry, 52 in Ontario, seven in British Columbia and one each in Quebec and Manitoba.

H. G. DAVIDSON, Partner in the firm of Mara and McCarthy, Stock Brokers, who has been elected a director of the Union Trust Company.

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# *Canadian Mining News*

## TURN UNEMPLOYED TO MINING GOLD IS NOW PROPOSED

### Gleaning Gold From Old Workings Offers Sustenance

Throughout the Dominion there is a keen appreciation being manifested as to Canada's potentialities as a gold producer. Because there is also growing unemployment, provincial authorities from Nova Scotia to British Columbia are giving consideration to turning some of the unemployed to the production of gold.

In Nova Scotia encouragement is being lent to working of gold properties which 60 years ago gave profitable occupation to a large mining community but which in recent years have lost attractiveness through the depletion of the known commercial ore.

Under an attractive leasing plan, attention is once more being directed to the gleaning of gold from these old properties and unemployed are encouraged to eke out modest incomes by using primitive mining methods.

**B. C. Placers Lean**

In British Columbia the placer gold deposits simplify gold recovery as the principal requisites are a pan, patience and brawn. In 1932 about 9,000 provisional free miner certificates were issued in British Columbia in addition to the ordinary ones and unemployed trekked to the old placer streams, if not to make their fortunes, to pan from the river beds sufficient gold to satisfy their simple requirements and preserve their self-respect instead of appearing in the bread line.

For the past two years it has been a common sight to witness panning operations at Edmonton on the Saskatchewan River, where a long laborious day's effort would be rewarded with sufficient gold to drive the wolf from the door.

Although Ontario is the premier gold-producing province in the Dominion, it offers little or no encouragement for simple placer operations. Neither do its lode properties offer prospects of gleaning a livelihood as do the old properties of Nova Scotia. But it does offer opportunities to many prospectors to find new mines. The result is that an unprecedented number of seekers after gold are traversing the bush and muskeg with hope beating eternal in their breasts that they, too, will find another Porcupine or Kirkland Lake.

**Use Unemployed in B. C.**

In view of the interest and activity that exists throughout the Dominion in gold mining, a proposal by the editor of the Calgary Albertan is of special interest. In a recent editorial it was proposed to set the unemployed to work prospecting the potential goldfields in British Columbia under the direction of competent administration. Excerpts from this proposal are as follows:

"It would be necessary to determine the physical fitness of the new prospectors; above all, it would be necessary to grub stake the men and to make sure that they were adequately supplied with clothes and mining equipment.

"We suggest that all men grubstaked be requested to sign a note for the amount lent him, to be paid in the event of success attending their prospecting, and that the immediate expenses be paid by British Columbia, but subsequently divided between all other provincial governments contributing to unemployed and by Ottawa.

"Encouragement of placer mining in British Columbia would thus naturally devolve upon the B. C. Government; so, presumably, would the expenses of the undertaking. This, however, would be patently unfair, since unemployed from all parts of Canada might become absorbed by B. C. placer mining. Therefore it would be necessary to devise a means of sharing the costs of administration between the various Canadian governments.

"In order to make the project practicable and fair it would be necessary to undertake a complete registration of Canada's unemployed.

"The virtue of the scheme lies in the fact that, while it would probably involve Canadian governments in more expense than does distribution of direct relief, it might provide a part solution for our unemployment problem by making a section of our unemployed independent of government assistance."

The effort would have to be directed not toward the old placer fields, but toward the discovery of new ones, since it has been well established in recent years that the Chinaman who followed the early placer miners in British Columbia left little gold, not even sufficient to sustain the simple requirements of hungry unemployed.

## Aviation Now Prepared For Greater Service

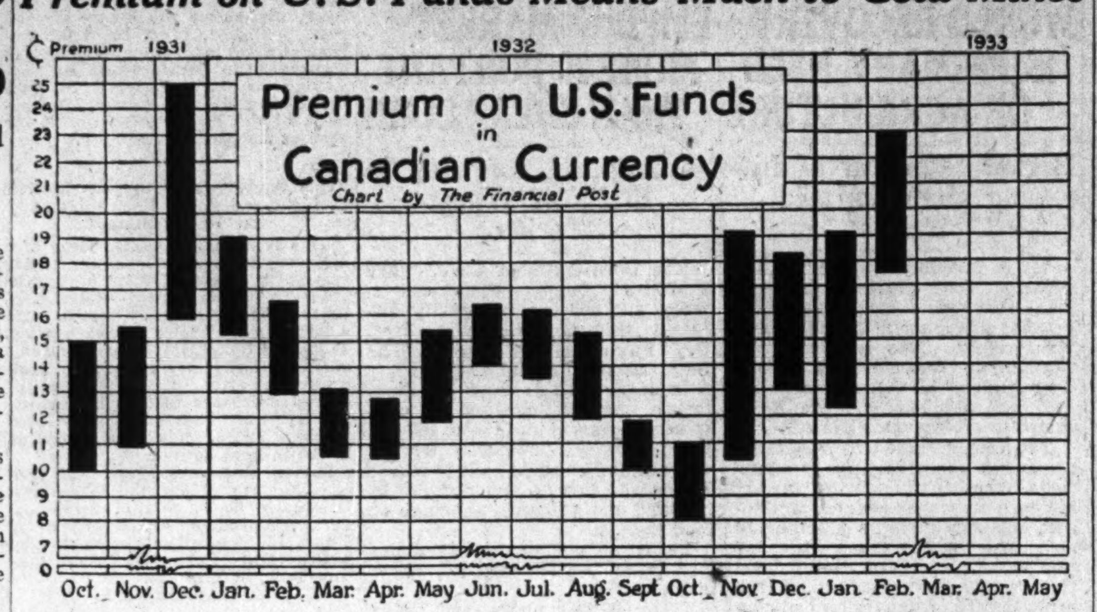
Mining development in Canada's hinterland has played an inseparable part in the furthering of transportation by air, W. A. Scott, of the Canadian Airways, told the Toronto Branch of the Canadian Institute of Mining & Metallurgy at its regular monthly meeting on February 18. Conversely, he said, aviation has meant much to the development of mineral areas heretofore thought inaccessible.

"Flying in relation to mining in Canada really began in 1926 when freight and air passengers were flown from Haileybury to Noranda Mines, then being equipped for production. In that year, also, a service was started from Hudson into the Red Lake area where Howey Gold Mines is located."

Mr. Scott reviewed the progress that has been made in the design of machines for load carrying and stated that whereas a few years ago 600 pounds was the average pay load it has been replaced by machines carrying 1,200 pounds pay load and now the company has one Junkers machine capable of handling a pay load of 6,000 pounds. With the increased volume of business, increased pay loads and lower maintenance and transportation of anything pertaining to mining will present no problem providing that machinery is sent in sections not in excess of three tons.

A new field that promises much for aviation, said Mr. Scott, is aerial prospecting where cheap machines can fly over a country and eliminate large areas of unfavorable formation for prospecting or the finding of mineral wealth.

## *Premium on U. S. Funds Means Much to Gold Mines*



A chart showing the fluctuations of exchange on U. S. funds in Canadian funds, since Great Britain went off the gold standard near the end of September, 1931. The average for 1932 was 13.56 per cent.

## Exchange Compensation Paid to Gold Producers Profitable to Ottawa

### Gov't Paid 12.2% While Average Rate in 1932 Was 13.56%

### MINE PROFITS GAIN

### Exchange in 1932 Boosted Net Profits as High as 45 Per Cent Over Normal

Exchange compensation paid to the gold producers of Canada during 1931 amounted to $7,705,660, according to information given on the floor of the House at Ottawa on February 13. This is equivalent to 12.2 per cent of the normal value of the gold production which amounted to 3,055,168 oz. valued at $63,155,925 and was apparently profitable to the government.

As will be seen by the accompanying chart, the exchange compensation paid on Canadian gold production, due to the adverse exchange on Canadian currency in the United States, ranged from a low point of eight per cent in October last to a high point of 19.1 per cent in January after reaching a record high point of 25 per cent in December, 1931. An interesting disclosure of the figures presented is that whereas the Government paid the mines exchange compensation equivalent to 12.2 per cent of the gold production, the average premium prevailing on United States funds during the period was 13.56 per cent, indicating that if the government costs were equal to the average not only did the payment of exchange to the gold producers not incur any loss to the Government, but conversely showed a saving on what it would have had to pay had it gone into the open market and purchased United States funds to make its settlement of obligations. The payment of exchange compensation on gold production was not only unprofitable to the Government but had it been forced to go into the open market and purchase United States funds equivalent to the $63,155,925 provided by the gold production in Canada, the exchange rate would have been considerably higher, reflecting the increased demand for funds.

**Exports Equal Production**

Canada's exports of gold to the United States during 1932 amounted to $63,164,473 or almost identical with the normal value of its gold production in 1932.

Of this gold exported, $8,624,691 was in the form of gold coins, while the balance was made up of gold bullion, gold bearing quartz, dust nuggets and bullion obtained direct from mining operations.

Just how important exchange compensation is to net profits is told by an analysis of the leading gold producers. Inasmuch as this exchange compensation represents pure "velvet" except for the profit taxes, any slight variation in the prevailing rate of premiums on United States funds has an important bearing on earnings of gold producers. Several typical examples serve to illustrate the case.

Wright-Hargreaves Mines in the year ended Dec. 31, 1932, had net profits of 32 cents per share, of which approximately eight cents was due to exchange compensation. Obviously, without exchange compensation, the net profit would have been approximately 24 cents per share. Therefore, this source of earnings represented approximately 33 per cent increase above the normal earnings.

In the case of Noranda Mines it is even more evident, based on the nine months figures of earnings available. The indicated net profits by Noranda for 1932 were approximately $1.60 per share. Indications are that exchange compensation can be credited with close to $1,000,000 of net earnings or about 45 cents per share. It will thus be seen that this exchange compensation amounted to approximately 39 per cent above the normal net profit.

**Means Lots to Hollinger**

Preliminary figures by Hollinger Consolidated Gold Mines indicate a net profit of 82 cents per share, of which approximately 25 cents per share can be accredited to exchange compensation. Therefore, this source of earnings is equivalent to approximately 43 per cent of the normal profit.

Howey Gold Mines is one of the marginal producers treating a low grade of ore where the influence of exchange compensation on earnings is quite apparent. From preliminary figures for 1932 the average recovery, expressed in normal value for gold, was $3.41 per ton. The exchange compensation boosted the value of this gold recovery approximately 41 cents per ton. As operating costs are estimated at $2.50 per ton, the operating profit per ton of ore treated is $1.32 per ton including 41 cents due to exchange compensation. Thus exchange compensation was equivalent to approximately 45 per cent over what the earnings normally would have been.

Down through the long list of Canadian gold producers the story is the same with the variation that the higher the grade of ore treated and the greater the spread between operating costs and recovery per ton, the less is the influence of exchange compensation in terms of percentage of net profits.

**Profits Follow Exchange**

With the exchange compensation such an important part of the earnings of gold mines at the present time, and with earnings influencing to a large extent the prevailing market price for this class of security, it becomes evident to the investor that the question of exchange on Canadian funds is one of vital market interest.

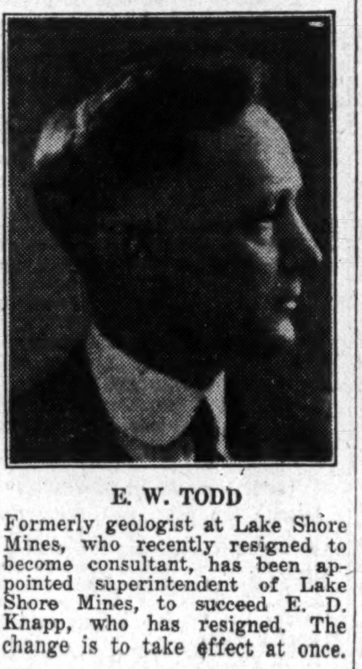
If exchange continues its upward climb from the low point of eight per cent registered last October to the high point of 23 per cent reached in February, 1933, still more prosperous times are imminent for the gold producers, but if conversely a re-adjustment of economic conditions occurs between Canada and the United States and the premium on United States funds declines, then the outlook for earnings of gold mines loses some of its attraction.

On March 4, occurs the inauguration of Franklin D. Roosevelt as President of the United States, heading a Democratic administration pledged to lower tariffs. The recent announcement of Prime Minister Bennett, that he is ready to talk reciprocity with the United States shows that a freer flow of trade between the two countries may be possibly brought about.

In recent weeks it has been reported that American investors are investing particularly in Canadian gold mining securities. The transfer of United States funds to Canada for investment, if in substantial amounts, would in itself alleviate the exchange situation, but the effect has not been apparent with the premium on United States funds continuing to increase since the first of 1933.

There are so many factors bearing on the exchange situation that more than a superficial survey is required to arrive at any conclusion, but it is possible that a new administration ascending the throne in the United States may, by stimulating international goodwill, put forces at work that may have the ultimate effect of bringing about a parity of funds.

### Appointed Manager



E. W. TODD

Formerly geologist at Lake Shore Mines, who recently resigned to become consultant, has been appointed superintendent of Lake Shore Mines, to succeed E. D. Knapp, who has resigned. The change is to take effect at once.

## Great Bear Lake Gets Test Mill

Great Bear Lake will see a small test mill in operation treating silver ore this summer, if the plans of B.E.A.R. materialize. W. B. Airth, M.E., leaves for the company's property early in March and is flying in a portable gasoline engine driven compressor to speed development work.

A tunnel started last season at the site of a find of silver is to be extended this season and the mill is to treat ore encountered in development work.

## BENNETT ANSWERS WESTERN MEMBER ON GOLD PREMIUM

### Purchase Price Equals That Prevailing Elsewhere

"Does the Government intend to continue paying a premium to the gold producers of Canada during 1933?" was the question put by Olaf Hanson, member from Skeena, to the Rt. Hon. R. B. Bennett on the floor of the House at Ottawa last week. To which the Prime Minister answered: "The price paid for gold is the price which producers can obtain elsewhere and that is all. I assume the honorable gentleman thinks that because his products are being sold at a lesser price than they can be sold at elsewhere, a lesser price should be paid to gold producers than they can obtain elsewhere. The Government has commandeered gold in the sense that it cannot be exported without a license and it is purchased at the price which the exporter could obtain for his product in other markets."

Mr. Hanson then asked if the Government was going to continue that policy and the Prime Minister's answer was, "I cannot answer as to what may arise in the future. I have already indicated to the honorable gentleman that no government can say what is going to happen under present conditions in particular, but the Government at present is purchasing gold on the basis I have mentioned and so far has no reason for believing it will change the price that has been paid."

## Monthly Gold Output Figures Not Safe Guide

The preliminary report, indicating a gold bullion production by the Province of Ontario amounting to $3,505,198 in January this year as compared with a production of $4,135,536 in December last, has created in the minds of many the impression that it evidences a downward trend to gold production.

The wide fluctuation between the December and January returns can be attributed to the fact that December 31 is the fiscal year ending for a number of gold producers and as a result a mill clean-up takes place that boosts the nominal gold output, with the result that the following month shows a severe decline. A study of the bullion receipts at the mint would show that January was a heavy month with receipts amounting to $4,103,123. Likewise, February will be a light month reflecting the lesser production in January. All of which confirms that monthly production figures either of individual mines or of a province are not a safe guide to true production trend.

## BRIDGE RIVER CO. CONSTRUCTING MILL

### Installing 400-ton Hadsel Grinding Unit for Low Grade Ore

Construction has started on a mill at the Bridge River Exploration Co.'s gold property, which will incorporate a double unit 400 ton rated capacity Hadsel grinding unit.

The company's property comprises some 20 claims on Cadwallader Creek, adjacent to Pioneer Gold Mines, in the Lillooet mining division of B. C. The B. C. department of mines commented on the company's operations in its preliminary report for 1932, stating that work on the California vein consisted of 492 ft. of drifting and several cuts across the vein. At 100 ft. it is stated to be 12 ft. wide; at 250 ft. from the collar, 18 ft. wide; at 350 ft. 27 ft. wide and at the then face, 18 ft. between the walls. The tonnage of ore indicated by this vein, the report says, will permit of large scale operations on fairly low-grade mill feed.

The enterprise is largely a private undertaking financed by Vancouver interests.

## Interest Now Manifest In Cariboo Power Sites

VANCOUVER.—Many of the larger mining corporations in Canada and the United States have acquired an interest in Cariboo claims during the last few weeks and one company has staked more than 300 claims already. In addition to gold staking, two companies—Britannia, also Consolidated Mining & Smelting—have been staking water rights, as it is likely that waterpower development will have to be the forerunner of important mining activity.

Snow is expected to be off the ground about the middle of March in the Bridge River section and activity in that territory will then be intensified.

## MALARTIC GOLD CALLS MEETING TO DISCUSS PLANS

### Believes Property Has Chance of Making Mine

Malartic Gold Mines has called an annual meeting of shareholders to be held in Toronto on March 11 to consider various refinancing proposals preparatory to resuming operations at the property.

The company owns a gold prospect comprising 443 acres in Fourhier township, Quebec, about 25 miles east of Noranda. It was developed by a shaft to a depth of 390 ft. and 583,134 tons of ore assaying $3.63 per ton indicated. In addition, there were 6,000 tons of ore assaying $12.57. Operations were suspended following the report on the property by Pope Yeatman.

Many shareholders have held the belief that the examination by the eminent engineer from New York did not adequately present the true possibilities of the property and recently several attempts have been made to resuscitate financial support that would permit a conclusive programme being undertaken. Ventures Ltd. owns a minority interest in the company and has acquiesced to the consideration of outside proposals for financing. It has named Messrs. Crerar, Morphy & Sladen, all of Ottawa, to form the proxy committee.

According to the balance sheet as at Dec. 31, 1932, the company owed Sudbury Basin Mines $65,906 for advances and interest. Accounts and wages payable amounted to $312. Current assets totalled $7,695, including mine supplies amounting to $7,685.

Of the authorized capitalization amounting to $3,000,000 in $1 par value shares, 2,800,007 shares are issued and outstanding.

## Bank Closings in U.S. Affect Mining Stocks

Market valuations of leading mining securities on the Standard Stock & Mining Exchange reflect the uncertainty of developments in banking circles in the United States with market prices registering a severe break below the high levels touched a couple of weeks ago.

Especially are market recessions noticeable in the interlisted issues but on the whole the leading dividend-paying gold stocks have shown a remarkable resistance to lower price levels. Market prices doubtless have been influenced to an appreciable extent by the prevailing high rate of exchange, which spells higher profits for the gold producers.

It is not clear why banking troubles in the United States should appreciably affect prices of Canadian gold mining securities unless, as one observer has expressed it, the general nervousness prevailing on the other side of the line is infectious and is being reflected even in the highest grade securities.

Some selling has been attributed to United States investors. To what extent this has been an influence in weakening the Canadian market is difficult to determine.

## Canada's Selenium Output Is Potentially Important

### One of Canada's Little Known Mineral Resources Under Review

Selenium is a black, brittle element with a highly lustrous face and chemical properties resembling sulphur and tellurium. As an element it lies close to the border line between metallic and non-metallic elements.

In 1931 Canada reported an initial 16,899 pounds of the metal, valued at $32,108, recovered as a by-product of the electrolytic copper refining operations of the Ontario Refining Co. at Copper Cliff, Ontario. No production has been reported in Ontario in 1932 but the copper refining operations of the Noranda Mines at Montreal East promise to be an important source of the metal. The slimes from the electrolytic refining operations are said to be the richest of any copper refinery in North America, running to as high as 20-25 per cent selenium, capable of producing close to 150 tons of the element annually.

**U. S. Chief Producer**

In past years the United States has been the principal producer of the element, recovered as a by-product of copper refining operations. Sales have averaged close to 300,000 pounds annually in recent years with the 1931 sales 292,304 pounds, valued at $386,255 or $1.32 per pound. The production of the element in 1931 was 185,305 pounds, considerably less than the sales, while the production for the previous year was considerably in excess of sales. The price of the element is largely artificially maintained at between $1.80 and $2 per pound and it is thought that if prices could be reduced a corresponding increase in its application would result.

At the present time the demand for the element is confined to a few industries, none of which takes any substantial quantity. The rubber industry is the largest consumer, normally taking approximately 100,000 pounds annually. In this industry research has found that the activity of selenium as a vulcanizing agent at temperatures below its melting point, is due to the use of accelerators. The chief advantage of the addition of selenium in the manufacture of rubber goods is to increase abrasion resistance. It also increases the strength. Selenium in a tire-tread mixture shortens the time of optimum cure, increases the tensile strength, hardens the product and slightly improves the ageing.

**Used in Glass Industry**

Considerable quantities of selenium are also used in the glass industry as a decolorizer, that is, to offset the greenish tint occurring in glass manufacture caused by iron impurities. It is also used in the manufacture of ruby glass.

Another important use for the element is in flame-proofing materials, particularly electric cables, which are treated with a thin layer of metallic selenium.

The unique properties of the element in that its electrical resistance lowers upon exposure to the light, has resulted in the development of the selenium cell. Numerous industrial applications have been found for this cell wherever it is desirable to control an electrical circuit with relation to lighting conditions.

Another use to which selenium has been put is that of a solvent. Many elements heretofore regarded as totally insoluble are readily affected by selenium oxychloride.

While in the aggregate the demand for the element does not represent substantial quantities, it will be seen that research already has found diversified uses to which it can be put.

**India an Importer**

India has imported a considerable quantity of the element from the United States, particularly the product from American Smelting & Refining Co. Owing to the preferential inter-Empire tariff agreements the ad valorem duty on the element from Canada is now 15 per cent as compared with 25 from the U. S. and it is anticipated that the Indian market will develop to Canada's advantage.

At Noranda's refinery the production of the element takes on a new significance owing to the apparently large quantities recoverable. It is a nuisance in the refining cells as it muddies up the electrolyte. Recent research has been effective in eradicating this evil to a large extent and the economies thus effected by savings in sulphuric acid electrolyte will largely offset the cost of recovering the selenium, with the result that increased quantities are envisioned in the future.

## Cape Smith Deposits Subjected To Test

The deposit of sulphides discovered in 1931 on the east coast of Hudson Bay at Cape Smith by the exploration party of the Cyril Knight Prospecting Co. and associated companies, are to be further prospected this season.

Four companies, the Cyril Knight Prospecting Co., Quebec Prospectors Ltd., Huronian Mining & Finance Co. and the Newmont Mining Corp. are interested in the venture. This year activities will be centred on sampling the ten deposits found and a party of four is leaving shortly by Canadian Airways for the site of the find.

## Con. Smelters Increases Authorized Capitalization

The listing committee of the Montreal Stock Exchange has just approved of the application of Consolidated Mining & Smelting Co. of Canada, to list an additional 59,131 capital shares. This brings the total outstanding capitalization of the company to $16,297,675 or 651,907 shares of $25 par value. Recently the authorized capitalization was increased from $15,000,000 to $20,000,000 in order to provide for the stock dividend payable March 1.

## Port Arthur Property Gets Another Chance

Reports from Port Arthur, Ontario, state a test run from ten tons of ore from the holdings of the Animikie Mines gave high returns.

The company's property comprises the old Climax or Keystone claims of the Silver Mountain group, which were worked from 1891 to 1893 producing some $1,650,000 in silver. The ore from the property at present is being trucked to a mill erected by N. M. Paterson 25 miles away.

## Okalta Oils Report $54,993 Income in 1932

Annual report of Okalta Oils covering the fiscal year ended December 31, 1932, shows an income of $54,993 as compared with $128,518 in 1931. Field expenses amounted to $16,086 and general expenses to $8,768, leaving operating profit of $30,139 to be deducted from development account, which now stands at $50,109.

The balance sheet, dated Dec. 31 last, shows current assets of $23,030, including $9,798 cash. $1,760 preference shares redemption funds, $6,717 accounts receivable, and $4,755 casing on hand. Current liabilities total $5,175. Share capital includes $405,000 in redeemable preference shares, $45,000 having been redeemed at $10 a share, and 1,800,000 common shares of which 132,650 shares are held in trust for the company.

The annual general meeting of shareholders will be held in Calgary Feb. 7.

## Apex Mines Planning Capital Reorganization

Shareholders of Apex Mines are in receipt of advice from the company's secretary, J. Montgomery, that the company is to undergo a capital reorganization changing the authorized capitalization to 2,000,000 shares and providing 1,200,000 treasury shares for financing.

The company owns a gold prospect consisting of 80 acres in Tisdale township, Porcupine district, Ontario, 2½ miles from South Porcupine. No development has been done on this property since 1927 owing to depletion of finances. Recent interest in the company centres about an acquisition of 1,500 acres of natural gas leases in Walpole township and 200 acres in Canborough in Southwestern Ontario.

Financing arrangements are said to have been arranged.

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## PENMANS PROFIT SHOWS INCREASE DURING LAST YEAR

### Cash and Investments Gain Feature Balance Sheet

From Our Own Correspondent

MONTREAL.—Despite a decline of 10.94 per cent in dollar volume of sales, earnings of Penmans Ltd. in 1932 showed an increase over the previous year, amounting to $436,613, compared with $313,578 in 1931. Improvement, it is stated, was due to lower inventory write-down.

Charges included bond interest and depreciation, unchanged from the previous year, and provision of $39,119 for bad debts, a reduction of $20,000 from 1931. Net earnings of $187,493 were sufficient to cover preferred dividends nearly three times over. Common share profits were $1.91 against $1.25 in the previous year. Disbursements were paid at the rate of $3 a share resulting in a deficit of $70,560. Payments of $4 a share were made in 1931.

Sales amounted to $4,766,707 compared with $5,352,128 in 1931, following is a comparison of profit and loss for the past two years:

| | 1932<br>$ | 1931<br>$ |
|---|---|---|
| Gross profit | 436,613 | 313,578 |
| Bond interest | 110,000 | 110,000 |
| Depreciation | 100,000 | 100,000 |
| Bad debts | 39,119 | 58,544 |
| Net earnings | 187,493 | 145,033 |
| Pfd. dividend | 64,500 | 64,500 |
| Common dividend | 193,554 | 258,072 |
| Deficit | 70,560 | 177,538 |
| Prev. balance | 1,463,808 | 1,641,346 |
| P. & L. balance | 1,393,248 | 1,463,808 |

Working Capital

| | 1932<br>$ | 1931<br>$ |
|---|---|---|
| Current assets | 2,350,882 | 2,330,025 |
| Current liabs. | 172,400 | 128,403 |
| Working capital | 2,178,482 | 2,201,622 |

**Investments Show Gain**

A gain in cash and a sharp increase in investments feature the balance sheet. Cash is up $120,000 at $257,790 and investments have increased from $34,800 to $283,185. Inventories are down $277,000 at $1,228,644 and accounts receivable are lower by $69,000 at $576,171. Depreciated value of properties is carried at $5,045,412.

In liabilities, accounts payable have risen $57,000 to $146,824, and bills payable are down $14,000 at $2,112. During the year there were redeemed $29,000 of 5½ per cent first mortgage bonds leaving $1,863,000 outstanding at the end of the year. Since that time an additional $50,000 have been redeemed leaving $1,813,000 outstanding.

## Viau Biscuit Profit Hit by Price Cutting

From Our Own Correspondent

MONTREAL. — Annual report of Viau Biscuit Corp. for 1932, which will be made public shortly, is expected to reveal lower earnings. Conditions in the biscuit trade have been unsatisfactory and prices have been extremely competitive during the past two years.

Effects on earnings of Viau Biscuit were revealed in April, 1932, when dividends on $470,000 of 7 per cent second preferred stock were omitted while payments on the $1,000,000 of 7 per cent first preferred were suspended in December, 1932.

Earnings in 1931 were equal to $1.19 a share on the common after all charges.

## Interest Revives In Schreiber Claims

Reports from Schreiber, Ontario, state that the Harkness Hays Gold Mining Co. is preparing to resume the active development of its property comprising two claims, 2½ miles east of Schreiber on the Canadian Pacific Railway. During operations years ago an adit was driven into the hillside to explore a number of gold-bearing veins outcropping on the surface. Some 1,500 feet of underground work showed the veins to be narrow and high grade in places, but erratic as to value.

No work has been done at the property in recent years, the company having turned its attention to the development of a placer property in California.

**Index to Mining Stocks**

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 75.5 for the week ending February 23, as compared with 77.2 for the previous week.

Eleven gold stocks fell from 76.8 to 75.1, four gold-copper stocks from 86.5 to 84.5, and five silver and miscellaneous stocks from 28.5 to 27.9.

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Ontario Gold Mines have paid dividends to the end of 1932 amounting to $135,104,303. Dividends for 1932 amounted to $16,015,018.
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